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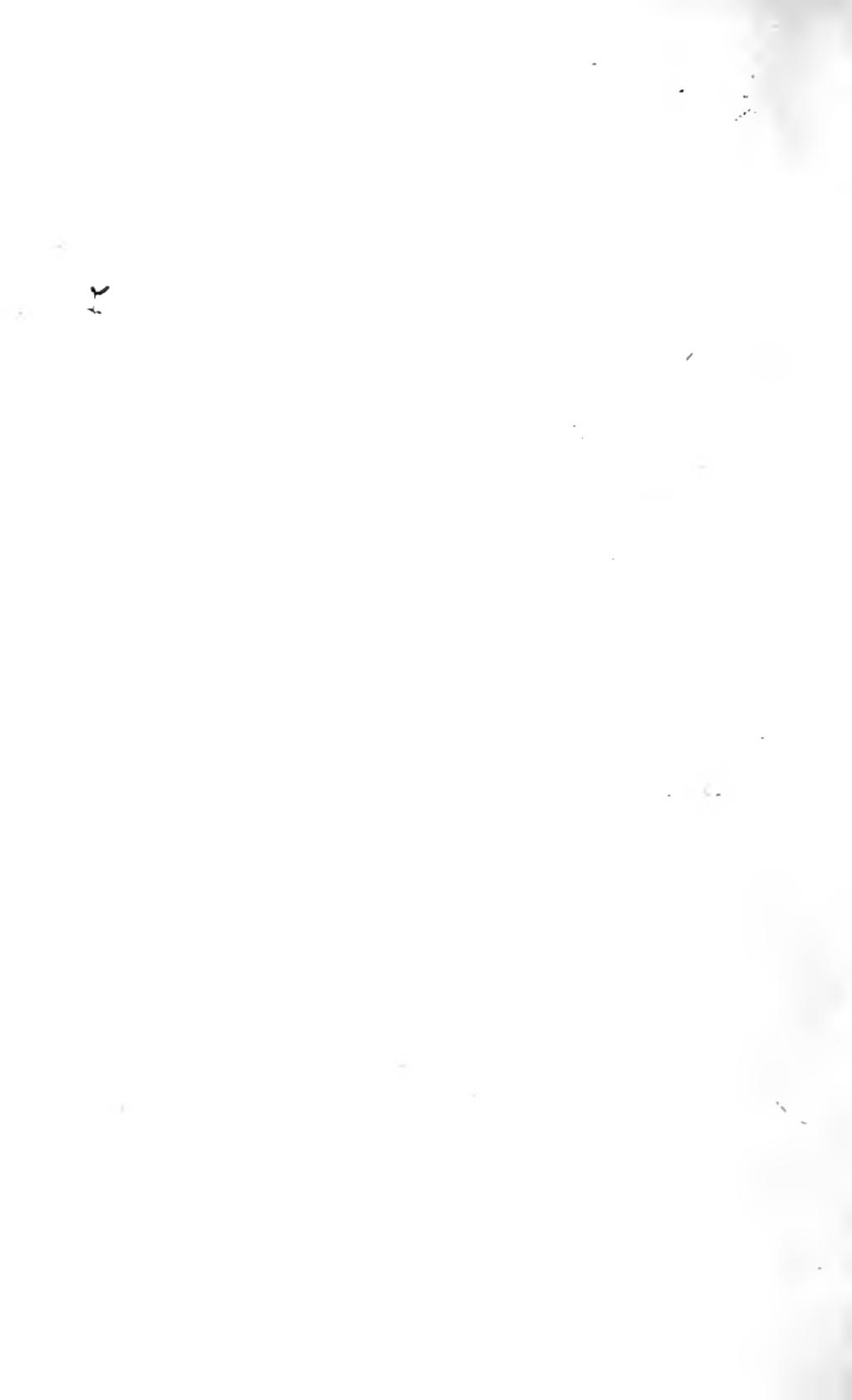
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H I S T O R Y
OF THE
B A N K O F E N G L A N D.



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H I S T O R Y



OF THE

Finance

BANK OF ENGLAND,

ITS TIMES AND TRADITIONS.

BY JOHN FRANCIS.

VOL. II.

THIRD EDITION.



L O N D O N :

LONGMAN, BROWN, GREEN, AND LONGMANS.

brief

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HISTORY
OF THE
BANK OF ENGLAND.

CHAPTER I.

BUBBLE COMPANIES—INCREASE OF PROSPERITY—COMMENCEMENT OF THE PANIC—FAILURES OF COUNTRY AND LONDON BANKERS—SCENE AT THE DISCOUNT OFFICE—GREAT DISTRESS—GENERAL DISCREDIT—ASSISTANCE OF THE BANK—ISSUE OF ONE POUND NOTES—ANECDOTES OF THE PANIC—OPINIONS OF THE CAUSE.

THE quantity of gold expected from the South American mines was so great that many well-informed persons, according to Mr. Tooke, “believed, and acted on the belief, of a diminished value in gold and silver in consequence. A journalist of the day, writing on what was evidently a feeling, if not a belief, founded on it an essay, of which the following is an extract. ‘The Chancellor of the Exchequer was obliged to give up his customary budget, and introduced a new system of duties in kind. I had an opportunity of hearing a Right Hon. Gentleman, who filled that situation, very pathetically lament that the ‘over-production of gold then, was as great an evil as the over-production of grain had been formerly.’ ‘Once,’ he added, ‘the difficulty was how to get gold; then

the question to be put was how to spend it ; for the nation already resounded with the lamentations of sufferers, forming creditors of the state, but who had been paid off with gold.' "

It is in such things as these, which satirize popular opinion, in the pursuit of public applause, that the real feeling of a people may often be discovered. The pages of the satirist are a vivid picture of society. As a confirmation of this phrenzied desire, another writer of the period says, "The earth was to yield in such quantities of the precious metals, that fears began to be entertained of their becoming almost valueless."

The credulity of the British public was only surpassed by the impudence of the inventor. Men, without any capital but presumption, proposed and carried out companies ; and when, by the aid of an important name or two, obtained, perhaps, under fraudulent pretences, and a prospectus full of specious phraseology and definite promises, they had arrived at a premium, the shares were sold, and the association abandoned. In a satirical novel of the day, a bubble, to be called "The Gold, Wine, and Olive Joint Stock Company," is supposed to be projected. From the writer's position, it is very probable that much of his presumed fiction was fact. "Why, you talk," says one of the characters, "as if we had any real business to transact. All we have to do is to puff our shares up to a premium, humbug the public into buying them, and then let the whole concern go to ruin." The

history of the difficulty with which the first instalment of rent was met, amounting to £8 6s. 8d., is unquestionably a picture of the pauperism and poverty which often mingled with the shamelessness of the pretenders. The writer remembers to have seen, some time afterwards, the prospectus of a company to drain the Red Sea, in search of the gold and jewels left by the Egyptians, in their passage after the Israelites. Many similar jocularities were in circulation, some of which emanated from the members of the Stock Exchange, always alive to a sense of the ridiculous. But it is impossible, and the experience of every speculative era has proved it, to open the eyes of men who are making large profits. We are all prone to believe what is agreeable, and the movers in the mania of 1825 were no exception to the rule.

Every one appeared to get rich without trouble. The prices of all articles increased in value. Tenfold higher terms were paid for land, with the view of building on it, than it was worth.

“The wildness of speculation,” says “Knight’s History of London,” “was not, however, confined to joint-stock projects; but at length reached to commercial produce generally. Money was abundant, and circulated with rapidity. Prices and profits rose higher and higher, and, in short,

All went merry as a marriage bell.”

The newspapers could scarcely contain the announcements which day after day poured from the

prolific pens of the schemers. Shares were issued at high premiums; loan after loan was taken at high rates; but high as they were contracted, the extravagant feeling of the period sent them all higher. The Real del Monte Mining shares, the value of which may be known from being quoted shortly after at 377 discount, reached 1400 premium, making a difference of £1777 per share. The Bolanos, and other foreign Mining companies, mounted to 525 premium. The less the place was known where the mine was to be sunk, the higher the premium reached, the bolder and the more exorbitant were the demands made on the public credulity. The Tlalpuxahua was done at £299. Rumours and reports of veins of gold discovered, had only to be fastly propagated, to be freely credited.

The following table will give an idea of the height to which the madness of the period had raised the prices of shares in one month :

	Dec. 10.	Jan. 11.
Anglo-Mexican . . .	£10 paid . . .	£33 pm. . . .
Brazilian	10	10 dis.
Columbian	10	19 pm.
Real del Monte . . .	70	550 pm.
United Mexican . . .	10	35 pm.

The shopkeeper ceased to toil, that he might become suddenly rich. The merchant embarked his capital and his credit; the clerk risked his reputation and his place, to obtain a share of the broad golden stream, which waited to be drunk. The broker could scarcely find time to execute his commissions. The

ordinary business of the funds was disregarded. The regions of the Stock Exchange wore an appearance of perpetual bustle. But a great change was at hand. This desire of adventure, and the rising aspect of all markets, created an unfavourable foreign exchange, which, together with the specie, sent to fulfil the loans made to foreign States, occasioned seven millions and a half of gold to be subtracted from the Bank coffers by November, 1825.

In that month the alarm began. The directors of some of the companies consented to their being dissolved, on condition of retaining one-fourth of the deposits to meet contingent and past expenses. The banks where the deposits of others had been placed were besieged to procure a return. The Lord Mayor was applied to by many who, rejoicing at first in the prospect of profit, shrank from the chance of loss. From this period the tide turned. The eyes of the people were opened to their marvellous absurdity. The sellers became more numerous than the purchasers; and by December had arisen a voice of alarm so loud that it reached to the remotest provinces of the empire, and so deep, that it penetrated to the heart of the metropolis.

By the 23rd of November greater difficulty existed in obtaining commercial discounts than had been experienced for some years. The extreme caution of the directors of the Bank, who, witnessing a decline in the exchanges, feared a fresh exportation of their gold, was the immediate cause. The applications of

the highest houses, equal in stability to the Bank, were only partially complied with. It may be supposed that the coming storm was little anticipated, when the following remark was made by a high authority : “ They contract the issue of their bank notes with more timidity than perhaps the real urgency of the case demands.” “ The distress occasioned by the limitation exceeds belief.” These comments occurring immediately preceding the panic, prove that it was but little expected. But if the directors were compelled to limit their accommodation great care was evinced that credit should not be injured by it. The most eminent firms, the character and wealth of whom placed them beyond suspicion, were selected for reduction, so that no reproach could be attached to them.

In an interview with the Bank authorities held with the Chancellor of the Exchequer, towards the end of November, some high words appear to have passed, in which the Chancellor said the Bank had brought themselves into a situation too serious to be treated with disregard, though the evil must work its own cure. The Governor reminded him that they had undertaken the dead weight, when no one else would do so ; but as past services are generally forgotten, the Chancellor replied that it was only a private contract, and had no connexion with their corporate privileges. The following, condensed from the “ Times,” will give some idea of the intense anxiety to obtain money. “ Yesterday was the day for effecting discounts at the Bank on Lon-

don bills. It is customary to leave them the day before, and the answer is returned on Thursday. The decision is usually given before one, at the latest. Long before that hour had struck, the place was besieged, and when at last the expected time came, notice was given that the answers could not be announced till two. Two o'clock arrived, and the anxiety of those who waited was at the highest pitch ; and then another notice was given, stating that a further delay must take place till half-past two. During the whole of the period the directors were in close deliberation in the Bank parlour. By this time the assembly was immense ; and when intimation was made that the arrangements were complete, a rush, similar to that at a theatre, ensued, to gain access to the window at which answers were to be given. The confusion was so great, that when four o'clock arrived the crowd had not dispersed, and it could not be ascertained whether the bills were discounted, or part discounted, or rejected. During the ministration of the clerk at the window he was frequently called away to receive fresh instructions. The directors did all in their power, but that power was limited.”

So great was the emergency, that the principals of some of the first mercantile firms waited in person, in anxious expectation, to hear their fate.

The country banking houses were the first to fall. The important York house of Wentworth and Co. advertised that they were “ under the most painfu

circumstances, compelled to suspend payments." £200,000 in notes of their issue were said to be circulated ; and the effect of this failure was severe. It was confidently believed at the time, that if the London agent had honoured Wentworth's bills, all would have been well. Some curious statements were made concerning these transactions ; but the probability is, that the London bankers were justified in their proceedings, and the fact that Wentworths were unable to resume payment is some proof of their discretion. It was a time for caution, but it was a time also for kindness and sympathy.

The evil of an unlimited currency being permitted to firms not sufficiently responsible, was fearfully felt. By an extraordinary anomaly, the Bank was without the issue of a single one-pound note; while country bankers, many of whom were mere retail shopkeepers, deluged the provinces with millions. Terrible suffering was spread among the poorest families, with whom these notes circulated. The distress was as hopeless as extensive. Since the act of 1827, paper had almost supplied the place of gold throughout the provinces. If notes of that kind are to be circulated, wrote the "*Times*," the Bank ought to do it ; not hovels in the country, dignified by the title of "Bank" being written over a dairy, or a cheesemonger's shop. The notes of one house were openly sold at 15s. in the pound. To support credit, associations were formed by the most opulent, pledging themselves to take the paper of

various firms. The stoppage of the bank of Sir W. Elford, at Plymouth, while it added to the alarm in London, created a melancholy scene on the spot. The people were almost frantic. The holders of notes crossed and jostled each other in all directions. There was literally a whole population, with food in abundance staring them in the face, unable to procure it, as nothing but gold would be taken. Day-break witnessed the Bank surrounded by tumultuous mobs, and the civil power mustered in front. A night of fearful omen succeeded to many an unfortunate family. The run on the Norwich Bank was stopped by the notes of the Bank of England being given in exchange.

On the 12th of December, the crash which struck terror and alarm throughout London commenced with the partners in the banking-house of Sir Peter Pole and Co., which was said to have yielded £40,000 a year for the previous seven years, announcing their incapacity to meet the claims of their creditors. At nine o'clock this stoppage was known, and the Exchange was resorted to, to ask the cause, and enquire if other houses were in danger. Forty-four country banks were connected with the firm, and the ruin of many was anticipated. The agitation of the city exceeded every thing that had been witnessed for a century. The funds fluctuated violently. Rumours of the failures of other firms spread rapidly. On the 13th an important house, possessed of half a million

of undeniable securities, declared, after a most severe pressure, an inability to meet its creditors. On the 14th, a west-end banker advertized that, though compelled to pause for the present in his payments, he hoped to resume on the following Saturday ; and in this he was successful. On the same day the distress was increased by the stoppage of two firms, known as Sikes, Snaith and Co., and Everett, Walker and Co. The confusion spread ; men ran in alarm and dread to draw the balances from the hands of their bankers. Lombard-street was crowded with persons waiting in anxious fear or idle curiosity. A few gazers around a door was sufficient to create the destructive rumour that a run was made upon the establishment. But there was no occasion for rumour. The people seemed to anticipate that the bankers kept all their deposits to answer unreasonable demands, and that the expence of a banking-house was maintained for the sole purpose of benefiting the public. Many a firm, of unimpeachable honour and unquestionable solvency, was compelled to bend before the storm. The merchant looked to his banker for support ; but all the efforts of the latter were directed to save himself from destruction. The usual channels of credit were stopped, and the circulation of the country completely deranged. Cheques came pouring in from all quarters ; and it was remarked that, “ the question would soon be, not who goes, but who stands ? ” On the Exchange the names of other firms were openly men-

oned ; and no report, however absurd, failed to obtain implicit belief.

The “Times,” in commenting upon the assistance granted by the Bank to the house of Pole, Thornton and Co., remarked, “ It is not probable that gold to a great amount has been in the first instance transmitted to this house. An additional quantity of paper, convertible no doubt into cash on application to the Bank to the amount of the sum advanced, has been sent into the market. We suppose that the funds possessed by this and other houses, not immediately convertible in the case of a run upon their credit, may consist of mortgages, and if so, it is a public evil that bankers, the dealers in paper, should have seized so much of the real property of the kingdom, and not left themselves sufficient to meet an emergency. They resemble pike and other rapacious fish, who pursue and seize a gudgeon, which, when they are on the point of swallowing, a larger pike supervenes and appropriates the victim.”

The members of the press generally performed their great duty. “ It ought to be impressed on all who possess any influence at the present moment,” said the “Morning Chronicle,” “ that a blind selfishness will soon bring its own punishment along with it ; that if all persons rush to the Banks to draw out their balances, which the bankers must pay instantly, while they cannot compel their debtors to pay the balances due to them, the consequences must be very

serious indeed. We can hardly conceive any amount of capital equal to this conflict."

The rumour was spread that a firm in Mansion House Street had stopped, and an immediate rush took place from the Royal Exchange and Stock Exchange to discover the truth. So great was the crowd that it was necessary to remove them by force. The clerks grew alarmed at the tumult outside, and rushed simultaneously to the outer desk, in apprehension of a more violent demand than their duty would allow them to meet. "Nefarious attacks," says one, "continue to be made on the credit of other banking houses, by collecting crowds of idle people round their doors, and reporting a run." The distresses of the country people, as day by day, and almost hour by hour, circulars were issued announcing fresh stoppages, baffle belief. Bills might be seen in many of the shops of the different localities, announcing that the banker's notes would be received for goods. One house took £2,000 in this manner. Another was so crowded that the sufferers could only be admitted one at a time. The doors were besieged, and men might be seen issuing burdened with drapery or grocery which they had bought, in preference to retaining the dishonoured paper. A Cambridge bank advertised that "they would keep open an hour or two later, and open the next morning an hour earlier, that the holders of their notes, if there be any then in circulation, may have them exchanged for gold or Bank

paper." The Messrs. Gurney, at Norwich, by boldness in going beyond their usual line, saved many from ruin, and lost nothing worthy of notice through it. But it is to be feared that these are few, though honourable exceptions. An Oxford bank ostentatiously exhibited such a profusion of gold that every one was satisfied, and no person thought of demanding it.

Country bankers from all parts of England were in town, trying to secure cash. The heads of all the London houses were as regular in their attendance as their clerks. It was common to hear of men, worth £100,000, begging the loan of £1,000 as a personal favour, on unexceptionable security. The gloom spread to the Exchange. Exchequer bills fell to sixty-five shillings discount, and the brokers closed their books, and refused to engage in any transactions whatever. The bankers from the provinces demanded gold, not to the extent of their circulation, but to the extent of all their engagements of every description, in anticipation of a run. Many packages of gold forwarded to these gentlemen came back unopened. Hundreds of thousands of sovereigns, said Mr. Poulett Thomson, were sent which were returned unpacked and untouched, having been provided only to meet the chance of a run. The Bank of England were called on to supply gold for all the notes of these banks; and post-chaises and four were regularly stationed in Lombard Street all the day. The principal

stocks were closed at the Bank, but transfers were allowed on this occasion up to the last possible period before making out the dividend. One hundred, an unprecedented number, were effected in one day. The partners of London banking-houses were called out of church to answer the expressses of their correspondents ; and the latter often carried off a reserve of gold of fifty per cent. more than they were likely to require. The governor and deputy-governor, with many of the directors, were constantly at their post. They came early and they left late. The guard also remained all day in the building, in case their exertions should be required.

On the 14th December a meeting of the merchants and traders, only of London, was convened at the Mansion House, to devise mitigating measures for this calamity. It was stated that the distress arose from want of confidence in men able to pay 40s., 50s., and 60s. in the pound. That those who had any confidence in their bankers ought to continue to pay in their money as usual ; and were this done, the whole difficulty would be met. The governor and deputy-governor of the Bank officially communicated to the Lord Mayor that they would do everything in their power to alleviate the city and country bankers. Mr. Alexander Baring, now Lord Ashburton, in a speech, which, from its energy and insight into business, was calculated to produce a great effect, demanded, after an elaborate picture of the panic, "confidence ; and

so great was the impression that the assembly, almost simultaneously, re-echoed the word. After a series of resolutions, in which they determined to support the banking interest to the utmost extent of their capacity, the meeting separated. "One establishment," wrote the "Courier," "falls after another. The fabric of our credit is in flames around us. Five great houses have already been sacrificed to panic ; three or four others have suffered immense losses. To withstand a pressure, aid must be given largely and liberally. In the words of Mr. Baring, let us follow general principles in ordinary cases, but in an extraordinary emergency, like the present, let us resort to an adequate, though extraordinary, remedy."

The distress continued to increase. Trade was at a stand. Doubt brooded everywhere. No one knew who was trustworthy. The millionaire of yesterday might be the bankrupt of to-day. It was almost impossible for any man, engaged in business, to know his own position. An order was issued to the officers of the mint to expedite, with all possible dispatch, a coinage of sovereigns ; and one hundred and fifty thousand a day were made for the space of a week. Gold coin was sent to every town in the kingdom. Then was the mischief felt of the country bankers having been allowed to continue and increase the circulation of their notes of one and two pounds. There was a constant demand for their gold ; and this demand affected the Bank, which was, indeed, the only

resource ; and every house in London found itself under the necessity of meeting the demands made by its depositors, through the medium of the former. Nor were they backward in affording assistance. In a few weeks their discounts arose from five to fifteen millions. Advances were made upon the simple deposits of title deeds, often without even an examination. Exchequer bills, to an enormous amount, were sold to meet the demand from the mercantile interests. Gold, from abroad, and coin from the mint, were constantly arriving at the Bank.

Mr. Harman said, in his examination before the Parliamentary Committee, “ we took stock in as security ; we purchased Exchequer bills ; we not only discounted outright, but we made advances on deposits of bills of Exchange to an immense amount ; and we were not, on some occasions, over nice, seeing the dreadful state in which the public were.”

The course which the directors adopted, though opposite to that of 1797, appears to have been correct. Within three weeks they doubled their discounts. From the 11th to the 17th December, the demand for gold was urgent, incessant, and insatiable. A suggestion was made to Government for an order in Council to restrain the payments in specie, under the apprehension that it might be exhausted. Mr. Canning is reported to have replied, in one of his emphatic sentences, that “ he would never consent to a thing of that sort.” But the most extraordinary

features of the application was the advice of Mr. Huskisson to place a paper against their doors, stating they had not gold to pay with, but expected it shortly. It is, perhaps, more extraordinary that the Bank deliberated upon it ; but allowances must be made for the agitation and anxiety of the time. That which, ordinarily, is looked upon as unreasonable, assumes a new form under an almost insupportable pressure. For two or three days the most unquestionable security would not procure money ; nor could the public funds be said to have a price. There was no market for Bank, there were no buyers of East India Stock. It was the opinion of Mr. Huskisson that in forty-eight hours all dealings would have been stopped, between man and man, except by way of barter. Owing to the difference in the money and account prices of consols, those bankers, who were compelled to sell stock to raise cash, paid at the rate of 72 per cent. for the necessity. On the 13th the Bank raised the discount to 5 per cent.

A morning journal remarked, “ that to inspire confidence in houses which can at last only repay it by insolvency, is to increase a direct wrong, and dreadfully to enhance a great commercial evil. If a house fails and pays 15s. in the pound, a foolish cry is raised that a little reasonable help would have saved it. Saved what ? A house that was in relation to its debts one quarter worse than nothing, Ought such a house to be left standing in a condition where

it was every hour made the depository of other people's money? Even if a banker pays 20s. in the pound, and has no surplus afterwards, he is not a legitimate banker, he is trading without a capital, and the least mishap, or the least fall in the public funds, if he buy into them with other men's money, may in one day make him an insolvent."

The energy of the direction was great in administering relief to worthy applicants. An eminent country banker was some days in town imploring a loan of £50,000, for which he offered double the security. During his stay a neighbouring bank stopped payment; the alarm of the townspeople grew so strong lest his own should follow the example, that they assembled to force, if possible, the payment of their notes, nor could they be dispersed without the aid of the military. On this intelligence reaching London, the 50,000 sovereigns were supplied, with which the banker immediately departed to the scene of confusion. "The town was swept of cash," says one writer; "and such a dearth of this necessary commodity ensued, that few persons had five pounds to spare for any purpose whatever." Pawnbrokers and money-lenders were resorted to, till their capitals were exhausted. Scarcely a sovereign was to be seen throughout London which was not new; so active had the authorities been at the Mint, and so eagerly had the old coinage been carried from the metropolis. The deficiency in sovereigns was

said at one time to be so great at the Bank, that applicants were compelled to receive half sovereigns in payment.

The gloom which pervaded the metropolis was universal. A vague feeling of uncertainty as to the issue ripened into an indefinite dread of consequences, almost as harassing as the worst reality. A general bankruptcy seemed impending. The impression—for it scarcely amounted to a conviction—that the Bank itself, hitherto regarded as almost sacred, was sharing the danger of the time, added to the general anxiety. Up to this period, with the single exception of 1797, the term Bank had been synonymous with safety. When, therefore, it was believed that, amid the general wrack and ruin, even the Bank of England was in danger, the great hall of the establishment witnessed an eager proffer of notes in exchange for gold, which, however, was met as promptly as it was made. No attempt was offered to withhold, as in 1797; no attempt to delay, as in 1745. It was probably partly owing to the unhesitating readiness with which the gold was paid as fast as it could be demanded, that the confidence of the public was so quickly restored. Had the holders of the notes felt that there was anything like hesitation, the alarm would have spread indefinitely, and the Bank must have suffered in proportion.

The energy displayed in the Bank parlour led to the same activity in the executive department.

The labour of the clerks was trebled in the discount office ; and in others many were kept working long after the ordinary hours. The counters were besieged ; and the attendants were wearied with the constant demand for sovereigns. The drain of notes and specie for the country continued to be prodigious. One provincial banker carried with him £300,000 ; and there was scarcely an establishment throughout the empire which did not apply for help. As it has been in most panics, the country bankers took more than they required, and assisted in bringing on many of the town failures. Counterfeit sovereigns, which rivalled in brightness the new issue, were numerous, as anything which looked like gold was taken without hesitation. The manufacturers rivalled the Mint in activity.

The danger of a run upon any bank cannot be measured. The beginning of a demand for gold may be very trifling ; but no sooner is it known that a run is occurring on any establishment, however unquestionable its solidity, than it is indefinitely increased, each man only anxious that the supply should hold out until his claim be satisfied. So great was the demand for one week, that a doubt was seriously entertained by all parties that the Bank would scarcely be able to stem the torrent. They had, however, determined to pay to their last guinea. "Another such week," said Mr. Richards emphatically, "and the Bank could not have stood it. Gold

was expected ; but we were subject to the winds and the waves.”

Fortunately, on the last day of the week, the tide turned. It must have done so decidedly, for Mr. Richards to have been able to call out that all was well, when, reeling with fatigue, he sought Lord Liverpool, with the other members of his Majesty’s government, on the afternoon of Saturday, the 17th of December.

The following description of the position of the governor and directors of the Bank at this period is from the mouth of its deputy-governor :

“In Autumn the Bank very seriously began to contemplate what would be the result of the speculations. Not only the Bank, but every man’s mind connected with the city, was in an extreme state of excitement and alarm. I think I can recollect on the first Saturday in December having come home, after a very weary and anxious day, from the Bank, receiving a visit from two members of the committee, and one of our bankers of that class, at my own house, stating the difficulty in which a banker’s house near the Bank was placed. The object was to ascertain my views. I was called upon in consequence of the governor being connected with the house of Pole and Co. by marriage, and other circumstances. I ventured to encourage these gentlemen that upon any thing like a fair statement the Bank would not let this concern fall through. It was agreed that on the

following morning (Sunday) we should meet as many directors as I could get together, with the three gentlemen who had called upon me, and that some eminent merchants, friends of the house, should be called to the meeting, to assist with their opinion. The result was that the directors authorised their chairs to say that assistance should not be wanting. It was agreed that £300,000 should be placed at the disposal of Pole and Co. the next morning, on the security of a number of bills of exchange and notes of hand, and over and above, a mortgage on Sir Peter Pole's property, which was to ride over the whole. During that week, I believe, the attention of every man was directed much more to the state of that house than to any thing else. They fought through it till Thursday or Friday pretty manfully, and about that time, from a conversation I had with a partner in the house, I was led to fear that it might fail : however, it fought on till Saturday evening. Sunday passed, and on Monday the storm began, and till Saturday night it raged with an intensity it is impossible for me to describe. On the Saturday night it had somewhat abated. The Bank had taken a firm and deliberate resolution to make common cause with the country, as far as their humble efforts would go. On Saturday night it was my happiness, when I went up to the cabinet reeling with fatigue, to be able just to call out to my Lord Liverpool, and to the members of his Majesty's government then present, that all was well.

Then, in the following week, things began to get a little more steady ; and by the 24th, what with the one pound notes that had gone out, and other things, people began to get satisfied. Then it was, for the first time in a fortnight, that those who had been busied in that terrible scene could recollect that they had families who had some claim upon their attention. It happened to me not to see my children for that week.”

The incidental mention to one of the directors that there was a box of one pound notes ready for issue, turned the attention of the authorities to the propriety of attempting to circulate them ; and the declaration of Mr. Henry Thornton, in 1797, probably occurred, that it was the want of small change, not a necessity for gold, that was felt ; and as the pressure on the country banks arose from the holders of the small notes, it was suggested to the government that the public might, perhaps, receive one pound notes in place of sovereigns. The ministry approved of the idea, and the panic was at its height, when, on Saturday, the 17th of December, the Bank closed its doors with only £1,027,000 in its cellars.*

* In the pamphlet, lately published by Lord Ashburton, is the following remarkable paragraph. After saying, “ I was called in to counsel with the late Lord Liverpool, Mr. Huskisson, and the Governor of the Bank,” his lordship proceeds : “ The gold of the Bank was drained to within a very few thousand pounds ; for although the published returns showed a result rather less scandalous, a certain Saturday night closed with nothing worth mentioning remaining.” It has been stated that the directors were unable to cash notes to the amount of £16,000, which were presented by a city banker.

It has been frequently stated, that by a mere accident the box of one pound notes was discovered. But such was not the case. Mr. Richards said "he did not recollect that there were any one pound notes ; they were put by ; it was the casual observation that there were such things in the house, which suggested to the directors that it would be possible to use them." Application was made to government for permission to issue them ; and this was granted, subject to the following stipulations :—

" If, for the purpose of meeting the temporary exigency, occasioned by the sudden withdrawal of the country banks' small notes, the Bank are disposed to avail themselves of the power which they have by law, to issue one pound notes, the government will not object to it, provided it is understood to be strictly temporary ; and provided that the Bank shall take the opportunity of the present state of the Exchange to procure a greater fund of treasure, and to promote a more extensive circulation of gold in the country."

The delight with which these notes were received in the country, proved that the want of a secure small currency alone was felt. The knowledge that the provincial banks were constantly breaking, that the parent banks in London were stopping almost as frequently, the fear that universally prevailed with regard to those that were really solvent, brought in the country notes with that rapidity which produced the fearful failures of so many of the body. But, that the holders only

required to be safe, and that they considered the notes of the Corporation eminently so, is proved from the fact of the run suddenly stopping after their introduction.

In Norwich, the Messrs. Gurney are said to have staid the plague by merely placing a thick pile of one pound notes of the Bank of England on the counter.

"They worked wonders," said Mr. Harman, "as far as my judgment goes, they saved the country." In most of the provinces they were received with acclamation. Within a week from their issue the peril and the panic had passed away, and the monied interest had time to look around and count the terrible cost of the yet more terrible dangers to which they had been exposed. Seventy-three town and country bankers had failed in one month ; of these, ten resumed payment, their difficulties arising solely from the extraordinary alarm of the time.

It is gratifying to add the opinions of such men as the late Mr. Rothschild, Mr. George Grote, and Mr. George Carr Glyn, upon the conduct of the Bank during emergency. Mr. Rothschild, said "At the time of the last panic I think there was a great deal of credit due to the Governor of the Bank." On another occasion he remarked, "I think the Bank discounted all the bills sent in as liberally as possible. They discounted everything." Mr. George Grote described their conduct "as liberal and daring ; but as judicious as proper." Mr. George Carr Glyn asserted

that “the commercial public were exceedingly indebted to them at that time; they rendered every assistance in their power.” Mr. Attwood “gave great praise to the Bank for a remarkable degree of moral firmness during this panic, in throwing its notes out into circulation, which prevented a catastrophe, so distressing, that he would not attempt to describe it.”

As a proof of the justice of these opinions, it may be mentioned, that on the 8th December, the discounts amounted to £7,500,000, on the 15th they were £11,500,000, and on the 29th, £15,000,000.

In looking over a list of the joint stock companies formed during this eventful period, the names which appear in the lists of directors are remarkable. The greatest, richest, and the most honourable in the city, in some, in others persons who were borne by the bubbles to the surface, but have now sunk to their original nothingness. Mines were proposed in all parts of the world. One was issued at a premium avowedly for the benefit of the projector. Another was celebrated “for having a vein of tin ore in its bottom, as pure and solid as a tin flagon.” A third was pronounced by the directors as “no speculative undertaking—no problematic or visionary scheme—it was founded on a sure and permanent basis, adopted after months of mature consideration, after enquiry, surveys, investigations, and reports;” and this was dissolved almost immediately. Another declared that “lumps of pure gold, weighing from two to fifty

pounds, were totally neglected," and that its mines alone would yield "considerably more than the quantity necessary for the supply of the whole world." The romantic aspect of the land was described in a fifth; while a sixth, proposing to supply England with granite, lamented in plausible and poetic strain the "soft and perishable materials" of the buildings of "the mighty head of a mighty empire." Innumerable labourers and artizans were to be employed, "and," continued the prospectus, "perhaps to the efforts of this company, the dingy brick fronts, the disgrace of the metropolis, may give way to more durable and magnificent elevations, worthy of the throne of the queen of isles."

An utter ignorance was shown of the capability of the countries in which many of the mines were to be worked. Expensive machinery was exported. Liberal salaries were given to every individual connected with the speculations; and Cornish miners, tempted by high wages and higher promises, wandered across the Andes, or tried a fall with the gigantic conder on the "wide desert plain of Villa Vicencia," as Captain Head, sent out on some such expedition, amusingly relates.

But other companies, besides mining ones, found support. When the bubble burst it was made manifest that an extensive plan of gambling and fraud had been carried on. The old system—for even in defrauding there is nothing new—was adopted. News-

paper puffs, reports, and prospectuses, raised many of the companies to a high premium. When the shares were sold, the company dissolved, and the projectors sought new schemes and new dupes. One member of Parliament was stated to have been the director of nine companies. "The press," says the editor of the "*Morning Chronicle*," "for the most part by taking shares in these schemes when at a premium (and we blush to say few editors of newspapers in the metropolis are not to be found in the list of those who benefitted by them), had at all events no particular interest in opening the eyes of the public." In one company the two principal charges were the payments of newspaper puffs and legal expences.

To read many of the prospectuses it appeared only necessary to cut a canal, and it would be laden with barges, bearing the industrial produce of the country ; and only necessary to send miners to some place with an unpronounceable name, and gold would attend every touch of the labourer's implements. "The Mississippi scheme," says a writer of the day, "was a rational project compared with the extravagance of the expectations held by whole armies of speculators. The sea was to contribute its proportion ; and treasures which had been buried for ages were called from 'the vasty deep,' by the magic and resistless power of steam. In this universal mania men hazarded the savings of a long life of industry ; they gazed only on the bright side of the future ; they shut

their eyes to the reverse. In their region the sun never set."

Mr. Hughes, in his "History of England," says that the joint stock companies which, in the plenitude of their imaginary power, would have contracted to throw a bridge across the channel, or make a tunnel to the antipodes, were for the most part in the Gazette, without a single subscriber, or an available shilling. "They fixed the public gaze," said Mr. Canning, in one of his brilliant orations, "and excited the public avidity so as to cover us, in the eyes of foreign nations, if not with disgrace, at least with ridicule. They sprung up after the dawn of the morning, and had passed away before the dews of the evening descended. They came over the land like a cloud, they rose like bubbles of vapour towards the heavens, and, destroyed by the puncture of a pin, they sunk to the earth and were seen no more."

It was openly declared that a member of Parliament received £500 a-year from each of two companies, for the protection of their rights. Some senators, for supporting gas companies, had their houses lighted for nothing, while shares which bore a good premium were allotted to others, for their assistance in the commons.

From the pamphlets of Mr. English, published in 1827, the following list of companies are copied, that the reader may form some idea of the enormous nature of the proposed speculations.

EXISTING.

	Capital.	Amount paid.	Present val.	Amount liable to be called.	Amount Shares.
44 Min. Co.	26,776,000	5,455,100	2,927,350	21,320,900	358,700
20 Gas ditto	9,061,000	2,162,000	1,504,625	6,899,000	152,140
14 Ins. do.	28,120,000	2,247,000	1,606,000	25,873,000	545,000
49 Miscell.	38,824,600	5,321,850	3,265,975	33,502,750	562,500
127	102,781,600	15,185,950	9,303,950	87,595,650	1,618,340

ABANDONED.

	Capital.	Amount paid.	No. of Shrs.
16 Mining Companies	. 5,585,000	400,900	98,200
9 Investment ditto	. 8,550,000	746,000	78,500
20 Canal Rail Road, &c.	19,135,000	293,375	246,000
30 Steam . . .	2,927,500	79,900	35 650
43 Miscellaneous . .	20,400,000	799,500	390,250
118 Companies . . .	£56,606,500	£2,419,675	848,600

PROJECTED.

	Capital.	No of Shares.
14 Mining Companies	. . . 6,009,000	80,300
9 Gas ditto	. . . 3,016,000	48,800
19 Investment ditto	. . . 44,050,000	608,000
6 Insurance ditto . . .	7,700,000	106,000
11 Trading ditto . . .	10,450,000	85,000
26 Building ditto . . .	13,781,000	164,900
18 Dock, Canal, &c. ditto	. . . 13,851,000	164,410
16 Rail Road ditto . . .	11,065,000	131,800
37 Steam ditto . . .	5,628,000	89,570
23 Provision ditto . . .	8,360,000	674,000
57 Miscellaneous ditto . . .	19,700,000	382,600
236	£143,610,000	2,535,380

GENERAL SUMMARY.

	Capital required.	Amount actually advanced.	Number of Shares.
127 Companies now existing	102,781,600	15,185,950	1,618,340
118 Ditto abandoned	56,606,500	2,419,675	848,600
236 Ditto projected	143,610,000		2,535,380
143 Ditto projected (No. 2,) not particularized	. 69,175,000		959,000
624	£372,173,100	£17,605,625	5,961,320

Nor will the accompanying list of foreign loans contracted for in 1824 and 1825, be less interesting to the reader.

FOREIGN LOANS.

CONTRACTED FOR IN 1824.

		Nom. Capital.	Cont. Price.	Mny. advncd.
Austria, 5 per cent.	.	3,500,000	82½	2,887,500
Brazil, ditto	.	1,200,000	75	900,000
Portugal, ditto	.	1,500,000	87	1,305,000
Greece, ditto	.	800,000	59	472,000
Columbia, 6 per cent.	.	4,750,000	88½	4,203,750
Buenos Ayres, ditto	.	1,000,000	85	850,000
Mexico, 5 per cent.	.	3,200,000	58	1,856 000
Peru, 6 per cent.	.	750,000	77	577,500
Naples, 5 per cent.	.	<u>2,500,000</u>	92½	<u>2,312,500</u>
		£19,200,000		£15,364,250

IN 1825.

		Nom. Capital.	Cont. Price.	Mny. advncd.
Brazil, 5 per cent.	.	2,000,000	85	1,700,000
Mexico, 6 per cent.	.	3,200,000	89½	2,872,000
Greece, 5 per cent.	.	2,000,000	56½	1,130,000
Denmark, 3 per cent.	.	3,625,000	75½	2,718,750
Peru, 6 per cent.	.	616,000	78	480,480
Guatimala, 6 per cent.	.	<u>1,428,571</u>	73	<u>1,042,988</u>
		£12,869,571		£9,944,218

SUMMARY.

		Capital.	Amount advncd.
Foreign Loans of 1824	.	19,200,000	15,364,250
Ditto	.	1825	12,869,571
Total	.	£32,069,571	£25,308,468

At the time, the panic was generally traced to the issues of the country bankers. The fact is unquestionable that their circulation was enormously increased; and it is equally so that the misery of the

provincial population was painful in the extreme, from the failure of so many of the body. It is impossible to imagine the aggregate wretchedness which this must have occasioned. Domestic distress, ties broken, families disunited, these were the individual fruits which resulted from houses being permitted to circulate to any extent notes which in many instances proved only valuable as waste paper. The cause which had operated to increase the country circulation was the first departure from the principles of Mr. Peel's Currency Bill, and whether it occasioned or not, it at least aggravated the evil to an enormous degree. It was a further proof that the currency of the country should have been in the hands of a Bank, the solidity of which, says Adam Smith, is equal to that of government. To preserve our social system we levied taxes, declared war, chose senators, held courts of justice, and yet, up to 1825, any person calling himself a country banker, though in some instances not rising above the level of a small trader, was allowed to issue, to an illimitable extent, the very notes which penetrated through and influenced every grade of social life. The great Bank of the empire was constantly called on for returns, lest its governors should be too liberal with their paper, while the pettiest banker in the provinces was only self controlled. The result is evident. Seventy country banks failed ; and the poor man, whose time is money, was told in the House of Commons, with a refinement

of cruelty, that he ought to have deposited his earnings in a savings' bank, "when," said Mr. Peel, in a few indignant words which spoke volumes for the inefficiency of the present system, "the savings' bank was perhaps twenty miles from his home."

The following opinions, as to the cause of the panic, are important in proving the difficulty of arriving at a just conclusion, or interesting as they evince the bias of each speaker, springing, either from his pre-determined notions, or from the natural prejudices of his position. Three, out of the four unfavourable to the corporation, were country bankers, or directors of joint stock banks. To Mr. Wilkins, a provincial banker, and an issuer of paper, great praise is due for the honesty which produced an avowal contrary to his own advantage, and so much at variance with the general opinions of the interest he represented.

Mr. Gurney considered it impossible to define the whole of the causes of that very remarkable crisis; but it certainly was not the over-issue of the country bankers. He believed that everything which caused great facility in money transactions tended that way; and that the great reduction in the duties on many foreign articles of production contributed to it. Mr. Stuckey thought that it arose, mainly, from an over issue of the Bank of England paper, while Mr. Wilkins gave it as his opinion that the distress and failures of the period were owing to the excessive issue of the country bankers.

Mr. Rothschild thought it might be assisted by the great speculation in different articles ; an immense amount of bills had been drawn upon this country from almost every quarter, of which he received, in two months, from a million to a million and a half sterling. An immense deal of specie had been sent to the continent to take up those bills. When the Bank found that gold was going away, they would not discount. There was an immense deal of speculation in corn, and the Bank refused to discount the corn and other bills. Mr. Dyer believed that the Bank had been the cause of the panic, and of a constant succession of little panics, continually annoying the commerce of the country. Mr. Burt was of opinion that the crisis was first caused by the Bank of England ; and afterwards the Bank remedied it the best way it could. The opinion of Mr. Palmer is presented at length, because it enters more calmly into the question, and because from his position he could best afford to regard it in a dispassionate light.

“ I have always considered that reduction of interest, one-fifth in one case and one eighth in the other, to have created that feverish feeling in the minds of the public at large, which prompted almost every body to entertain any proposition for investment, however absurd, which was tendered. The excitement of that period was further promoted by the acknowledgment of the South American republics by this country, and the inducements held out for engaging in mining

operations, and loans to those governments in which all classes of the community in England seem to have partaken. Almost simultaneously with those speculations, arose general speculation in commercial produce, which had an effect of disturbing the relative values between this and other countries, and creating an unfavourable foreign exchange, which continued from October 1824, to November 1825, causing a very considerable export of bullion from the Bank; about seven millions and a half. The Bank were, even at the latter period, sufficiently provided with bullion for their own purposes; and had it not been for the internal demands to which I have alluded in the former part of my evidence, would have weathered the storm."

Mr. Richards thought that the reduction of interest by the government, and that the statements made in the royal speech of the unbounded prosperity of the country, had buoyed up the public mind, and that "the Bank had continued then, as it always invariably did, as steady a course as it was possible for a body of that magnitude, moving at best but slowly, as, from necessity, it must move, to have done."

To the judgment of the reader must be left the task of reconciling these conflicting views. They have been presented at some length, because the importance of the period demands an extensive enquiry.

From the failure of so many private bankers, a great

number of accounts were transferred to the Bank of England. Up to 1826, £10 had been the lowest sum allowed to be drawn; but this was reduced to £5 to facilitate business. On the 17th December government raised the interest on Exchequer bills to 2d. per cent per diem. A message was forwarded to the India House requesting a postponement of the Indigo sale for three or four months, and at the desire of some influential gentlemen, one public sale was actually delayed on the plea, that however responsible the buyers might imagine themselves, it was impossible to know whether they would be able to pay for the goods they bought. While all the other banking houses were in a state of trepidation, the "Courier" remarks that Messrs. Coutts and Co. had not a single cheque drawn upon them more than was warranted by the ordinary demand of business.

The manufacturing and trading interests felt the depression long after the cause had ceased. Money was so scarce with the former, that large orders, which arrived from Germany, were unable to be executed. One house, carrying on an extensive business, sent an agent to collect debts in the north to the amount of £80,000. After an absence of six weeks he returned from his tour with no more than £500. An application for assistance, founded on this distress, was made to government. Mr. Wilson, member for the City, said that the difficulties demanded attention. The relief he asked for might be granted with safety. Cotton

had fallen from 12d. to 6d. per pound, and no sales could be effected. What risk would there be in advancing 3d. per pound. Yet such an advance would save many a merchant from ruin, and prevent hundreds of operatives from being thrown out of employment, and would be, therefore, of the utmost importance.

The reply of Mr. Robinson, Chancellor of the Exchequer, was, that a compliance with this proposition would be attended with consequences more prejudicial than the relief would be serviceable. "But," he added, "if government, by administering any relief in the money market, could tender any effectual assistance, it would be found most ready and willing to do so. If, for instance, in the absorption of the Exchequer bills, by the purchase of them by the Bank, any pressure of that kind could be removed, government would be most happy in forwarding such a measure." After some negotiation between the Bank of England and the ministry, the following was addressed to the governor and deputy-governor.

"Gentlemen,—Under all the circumstances of the present distress in the city and country, it appears to us that it would be advantageous, with a view to public and private credit, if the Bank were to give directions for the purchase of Exchequer bills to the amount £2,000,000. If the Bank shall agree to this proposal, we engage to submit to Parliament the

necessary measures for the repayment of the same between this period and the 14th June next.

We have the honour to be, Gentlemen,

Your most obedient servants,

LIVERPOOL,

FREDERICK JOHN ROBINSON.

It was therefore resolved, “That the governor be authorised to purchase Exchequer bills to an amount not exceeding £2,000,000, on condition that the repayment be made within four months.”

As a conclusion to this chapter, and as, perhaps, the true origin of the crisis is here stated, the following, from the pen of one, who, if he had not been “born to riches,” would, in all probability, have been a great man, instead of being simply a great banker, is well worthy an attentive perusal. There is the finest of all philosophies, the philosophy of nature, in the remark. “The history of what we are in the habit of calling the ‘state of trade’ is an instructive lesson. We find it subject to various conditions which are periodically returning; it revolves apparently in an established cycle. First we find it in a state of quiescence—next improvement—growing confidence—prosperity — excitement—overtrading — convulsion—pressure— stagnation—distress— ending again in quiescence.”

CHAPTER II.

EFFECTS OF THE PANIC—ALTERATION IN THE CHARTER—PARLIAMENTARY DEBATES—OPINIONS ON THE CURRENCY—ASSISTANCE TO THE MERCANTILE INTEREST—TABLE OF ADVANCES—LEGAL DECISION—EXTENSION OF THE BRANCHES—JEALOUSY OF THE COUNTRY BANKERS—NEW $3\frac{1}{2}$ PER CENTS.—USES OF BANK NOTES—DANGER OF THE BANK—ITS ORIGIN—RUN UPON THE BANK—POLITICAL CAUSES.

THE crisis of 1825, which it has been seen produced an effect so extraordinary as to be paralleled by no personal recollection, induced a searching inquiry into the cause. Many opinions were published, and almost every man had his theory. The Bank of England was denounced by a few ; and the over-issue of the country bankers by many. By some the Company was considered the shield, by others as the destroyer of national credit ; and a most important effect was produced to the Corporation through the panic, as a negociation was opened by the government, in which they expressed their desire of establishing the banking system on a firmer foundation. In January a correspondence, of which the following is an analysis, passed between the governor and

deputy-governor with the First Lord of the Treasury and the Chancellor of the Exchequer. After stating that the principal cause of the recent distress was to be traced to the rash spirit of speculation, supported, fostered, and encouraged by the private banks, the paper proceeds :—

“The remedy for this evil must be found in an improvement of the circulation of the country paper ; and the first measure that has suggested itself to most of those who have considered the subject, is a recurrence to gold circulation throughout the country, by a repeal of the act which permits country banks to issue one and two pound notes until the year 1833, and by the immediate prohibition of any such issues at the expiration of two or three years from the present period.” After saying, “we believe that much of the prosperity of the country for the last century is to be attributed to the general wisdom, justice, and fairness of the dealings of the Bank,” they proceeded to state, “There appear to be two modes of obtaining a sound system of banking throughout the country. 1st. That the Bank of England should establish branches of its own in different parts of the country. 2nd. That the Bank should give up its exclusive privilege as to the number of partners engaged in banking except within a certain distance of the metropolis. With regard to the first it would be quite impossible, under present circumstances, for the Bank to carry into

execution such a system to the extent necessary for providing for the wants of the country. There remains, therefore, the other plan—the surrender by the Bank of their exclusive privilege, as to the number of partners beyond a certain distance from the metropolis.”

It was indicated that if the Bank should demand a renewal of their charter from 1833 as the price of this concession, it would not be allowed. “Such privileges,” was the ominous remark, “are out of fashion.” “It is to be hoped that the Bank will make no difficulty in giving up their exclusive rights, in respect to the number of partners engaged in banking, as to any district —— miles from the metropolis.”

The reply of the directors was to the point; and the last paragraph, containing the result, was as follows:

“Under the uncertainty in which the Court of Directors find themselves with respect to the details of the plans of government, and the effect which they may have on the interests of the Bank, this court cannot feel justified in recommending to their proprietors to give up the privilege which they now enjoy, sanctioned and confirmed as it is by the solemn act of the legislature.”

In return to this, the government said “that they were quite willing to remove this uncertainty, but against any proposition for compensation they formally protested. If the Bank, however, should be of opinion that this ought to be accompanied with other

concessions, and that it should not be made without them, it was for the Bank to bring forward such conditions."

On this point the Bank committee came to a resolution of which the following is an abstract:—
"That the Committee of Treasury of the Bank of England had taken into consideration the paper of the 23rd instant, from the earl of Liverpool and the Chancellor of the Exchequer, and finding that ministers persevered in the restriction of their exclusive privileges, and also that it did not seem likely they would call upon Parliament to renew these privileges after the present term of their charter, as well as that the application was founded upon a generally received notion of its public benefit; finding all these matters, the Committee of Treasury declared their readiness to recommend to the Court of Directors a negociation for the proposed surrender of their privileges, founded upon the basis of the act of Parliament, which stipulated that the Bank of Ireland should have an extension of its charter after the time at present assigned by law; relinquishing the claim, however, to a prolongation, upon the condition that the new partnership privilege for private banks should not be available within sixty-five miles (fifty miles was the Irish act,) of the metropolis, and should make proper arrangements for individual responsibility of the partners." The proposition contained in the above resolution was

accepted, and the government concluded by recommending the establishment of branch banks, being decidedly of opinion that, under proper regulations, they would be highly advantageous to the Bank and the community.

A general meeting of the proprietors was called to confirm or reject the proposed arrangement. Opinions were very much divided. One party strongly maintained that the proposition had nothing equal—that all the benefit would accrue to the country at the expense of the Bank, and that it was unjust to call upon them to lay open their charter for the public good without an adequate recompense. By others it was urged, that it would not hurt the real interests of the Bank ; and that all the exertions of the directors to obtain compensation would be unavailing. The agreement was confirmed almost unanimously ; and the following tribute paid to the management of the Corporation during the panic. “That this Court desire to express the grateful sense they entertain of the decision, liberality, and judgment with which the directors came forward in support of public credit in a late crisis of unexampled pressure and commercial difficulty.”

On the 10th February, 1826, the Chancellor of the Exchequer moved, “That all promissory notes, payable to the bearer on demand, issued by the Bank of England or by any English bankers, and stamped on 5th February, 1826, or previously, should not be allowed

to circulate beyond the 5th February, 1829.” This motion was carried in the lower House, the members of which entered warmly into the question ; but the government was determined to prevent, or, at least, lessen the chance of panics for the future. A varied and eager debate ensued. It was asserted that in all great commercial countries, commercial crises, like that of 1825, had occurred. That where there were great enterprises there must be great occasional reverses. “It would be impolitic and unsafe to await returning prosperity,” said Mr. Peel, “which would make the country banks more reluctant to agree to it and more able to oppose it. It appears to me that the time has arrived when we can carry the measure into effect ; that we are upon the brink of the river, that the ford is passable, and that if we permit the opportunity of taking our passage to pass by, we shall imitate the folly of the rustic who waited on the bank expecting the stream would pass away.”

During one of the debates, Mr. Baring argued that the result of the measure would be “an immediate, sudden, and precipitate withdrawal from circulation of the one-pound notes of the country banks.” It was undoubtedly the interest of these gentlemen and of the country to spread the diminution over as great a space of time as was practicable.” “But,” said Mr. Canning, “reports have reached his majesty’s ministers from various parts of the country, that many of the country bankers, in violation of the good faith which

persons in their situation ought to keep with the public, have begun to act upon the principles of a sudden contraction of their circulation.” This gentleman contended that if such a practice should become general, and the Bank of England be deprived of the power of issuing one-pound notes, the same species of crisis would ensue as occurred in December. To meet this evil it was arranged that “during the three years, when the notes of country bankers should not be issued unless stamped prior to the 5th February, the notes of the Bank of England should continue to be circulated, though stamped up to the 10th October.”

The question of a mixed currency was mooted and denounced with great force by many of the members. It was said that “all experience proved the restoration of a metallic issue could not be effected so long as small notes were permitted; that wherever there was a paper circulation of the same denomination as the metallic currency the coin was sure to be expelled by the paper; and it was argued, again, by others that a mixed issue would be more beneficial in many respects than a purely metallic one. In a pamphlet, published some years afterwards, entitled “The Currency, its laws, evils, and remedies,” which attracted considerable attention at the period, it was said that, by the system then in operation, “whilst money was becoming scarce, the Bank of England sold securities to make it scarcer; and when money was decreasing in value and becoming plentiful, the Bank

of England bought securities to make it more so." "Now, however much that is to be regretted," continued the writer, "yet the Bank directors are absolutely obliged to entail upon the commercial community all the evils resulting from this course, so long as the legislation compel them to pay their notes, always on demand, for gold.

"For should they not sell securities when the exchanges are adverse, they would not be able sufficiently to lower the price of goods, nor would they be able to turn the exchanges before the stock of gold was exhausted. But if the Bank directors are obliged to sell securities on an adverse exchange, they must be compelled to purchase the securities back again when the exchanges are favourable. Because, if they did not, on the next adverse exchange they would have less power, for they would have less securities to sell, and there must ultimately come a time when the Bank shall have got rid of all its marketable securities, and then, as a manager of the circulation, it would exist no longer. As a remedy for this, at once simple and effectual, it is proposed that the legislature allow the Bank, at its discretion, to issue one and two pound notes.

"This will enable the Bank to act as bullion merchants. When the stock of bullion has decreased by five millions, for example, the Bank directors can say to the merchant, as they do now when he comes for discount, 'Bullion is much in demand. We are pur-

chasers rather than sellers, but you can have it if necessary to you at £3 18s. per ounce.' Or, in other words, they can ask such a price for gold that it cannot be exported for profit, whilst no impediment is offered by the price charged to the legitimate transactions of trade."

Such are the varying opinions of clever men upon the subject of the circulation. But the difference of creeds on the topic of the currency cannot be more explicitly expressed than in the following commencement of Mr. Warde Norman's pamphlet: " Of all the great questions that have for many years occupied public attention, there is not one on which opinions have prevailed more discordant, or less reconcilable for the most part to sound principles, than the important subject of currency and banking. The discussions in the periodical press, which, on other matters, have so greatly tended to enlighten and instruct, upon these seem calculated almost universally to darken and mislead."

Mr. Robinson left to Lord Liverpool, in the Upper House, the task of proposing the clauses by which the Bank of England were to establish branches in various parts of the empire, and submit to the throwing open their charter by the establishment of joint-stock banks with more than six partners, and the following paragraph expressed the feeling which was so general at the period. Those only who had witnessed the failures of the country banks could appreciate the distress

occasioned by them. “I must enter my protest,” said his lordship, “against the present system, where you allow liberty to all that is rotten and bad, while your restrictions apply only to what is solid and good. Where you permit any shoemaker, grocer, or cheese-monger to establish a bank, but where more than six respectable persons are joined they may form no establishment, if the crown cannot grant them a charter.” “There is one consolation,” he added, “that if we are to be liable to crises of great difficulty, it will not fall exclusively upon those least able to support them, the poorer classes of society. I am drawing no imaginary picture, for I have witnessed many such scenes, when I say, conceive these poor creatures who, in return for their labour, have received these worthless bits of paper, obliged to hawk them about, and part with them for whatever they can get, to purchase the necessaries of life for them and their starving families.”

The following is a summary of the bill for the better regulation of copartnerships of certain bankers in England :

“Bodies politic, corporate, or partnerships consisting of any number of partners, may carry on business as bankers, any where not within sixty-five miles of London, provided none of them have banking establishments in London ; that they are all individually liable for the issues and debts of the copartnerships ; they must neither issue nor pay any bill within the

prescribed limits, at a shorter date than six months, nor for a less sum than £50.

“The names of the firm, and the names of the partners, are to be duly registered, of which registration they are to receive a certificate from the Stamp Office. The names of those who cease to be partners and enter as partners, during the course of each year, must also be registered.”

That a check on country bankers was necessary may be gathered from the fact that, previous to the act of 1775, notes for sums as small as ten and five shillings were issued by some, while others circulated them to the value of sixpence.

An unanimous feeling pervaded all parties that it was necessary to provide some relief for the mercantile interest. The force of public opinion, the increasing agitation of the commercial world, petitions from the most important persons in the city, and deputations from all the great trading and manufacturing interests, convinced the government that the period had arrived when something must be done to mitigate the prevailing agitation. After some consultation with the directors, the following memorandum was forwarded by the first Lord of the Treasury and the Chancellor of the Exchequer :

“1. In the event of the Bank consenting to advance money upon the security of goods, under the present circumstances of the country, it is understood that..

these advances should not exceed the sum of three millions in the whole.

“ 2. That assimilating the principle of these advances to advances made in the ordinary course of discount upon bills of exchange, they shall be subject to repayment in three months.

“ 3. The government to propose to Parliament that the provisions of the act respecting merchant and factor, which will be in force in October next, shall be brought into immediate operation in respect to any goods which may be pledged to the Bank under the proposed arrangement.

“ 4. If the Bank should think proper to make advances in conformity with these suggestions, the government engage to submit to Parliament the necessary measures for enabling them to reduce the present amount of the advances of the Bank to the government, by a repayment of six millions; such repayment to be made as soon as may be practicable, and at all events before the close of the present session of Parliament.”

The directors of the Bank of England, therefore, feeling that this distress was harrassing to the public interest, determined to do all in their power to relieve it, and agreed to make advances to private individuals on the deposit of goods, merchandize, and other securities, to the amount of three millions; and in the principal commercial districts commissioners were appointed to carry the arrangements into execution.

But the very fact that such an intervention had taken place, was almost sufficient to prevent the want of it. When the capitalist who had hitherto held timidly aloof, saw a proverbially cautious company advancing its funds, his fears were dissipated, his own coffers became unlocked, and with a renewed confidence he followed in the same path, and returned to his ordinary sources of gain.

The Bank found that the sums required fell far short of the three millions set apart to this object, and in some of the provincial towns the commissioners were in the enjoyment of sinecures. The most honourable moderation was used in asking for advances, and those parties who were compelled to apply are stated to have shown an earnest desire to receive only the smallest sum which would suffice to meet their immediate wants.

The following is a list of the places, with the total advance to the manufacturers in each :

Manchester	£115,490
Glasgow	81,700
Sheffield	59,500
Liverpool	41,450
Huddersfield	30,300
Birmingham	19,600
Dundee	16,500
Norwich	2,400

To carry out the various measures resulting from the panic, different acts of parliament were passed, one of which was to facilitate the loan of money on deposits and pledges, by which all persons in posses-

sion of bills of lading were to be regarded as owners of the property represented, to secure to the Bank a legal claim on the deposits. By the act also which prohibited the circulation of small notes after 1829, a weekly return was to be made to the Treasury by the Bank of England, of the notes in circulation under £5; and after 1829 all notes below £20, were to be made payable at the place from which they were issued.

In February, 1826, a stock broker was robbed of two notes, one of £500 and another of £50. The necessary information was given at the police office, and the notes stopped at the Bank. In May one of these was presented for payment by Messrs. Jones Loyd and Co., and the directors refused to give credit for it on the ground that it was stolen, and that they had been directed to retain it until the right owner could be discovered. Messrs. Jones, Loyd, and Co. next requested that it might be returned, but this was also declined, on the ground that it had not been received in the regular transactions of business. The character of the gentleman who had sent it, a M. de la Chaumette, was indisputable, but beyond this the question seemed doubtful. The law had long since decided that if a proper consideration were given for a note, the holder was entitled to recover its value, although it might have been stolen before it came into his possession. But if it should have been lost by felony, fraud, or accident, no pro-

perty in it passed to the thief, or finder, or to any other person having a knowledge of the circumstances, or who did not receive it in the customary way of business. In summing up the evidence, Lord Tenterden said, the only question to decide was whether the note had been obtained according to the usual mode of dealing, in the place where it had been purchased. The jury immediately decided against the Bank, and from this period they have ceased to detain stopped notes.

The extension of the branches of the Bank of England was not viewed with favour by the country bankers, whose influence, importance, and profits, were in many instances depreciated by them. The great trust with which these branches were viewed, attracted many of the customers of the private establishments, although a further advantage was to be procured by remaining with the latter, in an allowance of interest on deposits. The country bankers had previously charged five per cent. discount, and in some places an extra per centage as commission : the branch banks, by performing the same business at four per cent., had reduced these profits, and compelled them to lower their terms. The country bankers, therefore, in 1827, alarmed at what they regarded as a dangerous increase of their rivals, endeavoured to organise a system of opposition to that which they termed an undue extension of influence. Nor is this to be wondered at. Men rarely argue

calmly when their interests are at stake, and are often most partial when they plume themselves upon their impartiality. Meetings were held in London by the leading provincial bankers, and a natural regard for their private interests made them believe their own welfare an inseparable part of the prosperity of the nation, which was, in their opinion, endangered by the establishment of the branch banks. A deputation was appointed to wait on the First Lord of the Treasury (Lord Goderich), and Mr. Herries, then Chancellor of the Exchequer. The following are the most important points urged by the deputation, and principally affect the Corporation of the Bank of England :

“That the late measures of the Bank of England, in the establishment of branch banks, have the evident tendency to subvert the general banking system, that has long existed throughout the country, and which has grown up with, and been adapted to the wants and conveniences of the public.

“That it can be distinctly proved that the prosperity of trade, the support of agriculture, the increase of the national revenue, are intimately connected with the existing system of banking.

“That the country bankers would not complain of rival establishments founded upon equal terms; but they do complain of being required to compete with a great company, possessing a monopoly and exclusive privileges.

“That should this great corporation, conducted by

directors who are not personally responsible, succeed by means of these exclusive advantages, in their apparent object of supplanting the existing banking establishments, they will thereby be rendered masters of the circulation of the country, which they will be enabled to contract or expand according to their own will; and thus be armed with a tremendous power and influence, dangerous to the stability of the property and the independence of the country."

The reply made by Lord Goderich, as first minister of the crown, and by Mr. Herries, as Chancellor of the Exchequer, was polite and diplomatic; but unsatisfactory. "They were fully sensible of the great importance of the subjects which were brought before them by the deputation, and although it was obviously impossible they could undertake, on the part of the government, to express upon that occasion any opinion upon the matters under consideration, they could assure the deputation that all that had been communicated should receive the most deliberate and serious attention." Other topics of complaint arose from time to time, one of which was, that the branch banks refused to take the notes of the country bankers, unless an account had been previously opened with them.

Twenty years have passed, and the above resolutions are all answered by the simple fact, that the number of branches of the Bank of England, throughout the entire kingdom, amounts to thirteen. To prove that objections which are really tenable, are met by govern-

ment, it may be stated that another very fair subject of complaint was, that the issue of the branch banks was subject to a less amount of stamp duty than that of the country bankers ; and the latter claimed to be included in the composition of the Bank of England of £3,500 for every million circulated. The bankers of Birmingham and its environs proved that, for a twenty-one days' bill on London, they paid three shillings and sixpence, while the branches paid but five pence ; and that for a yearly circulation of £10,000 in bills of exchange of £20 each, the former would pay £650, while to the latter the cost would be but £35. The claim made by the country bankers was equitable, and they were, by 9 Geo. iv. c. 23, allowed to compound for their notes on the same terms as the Bank. The composition also included bills drawn on London at twenty-one days' date.

The objections of the provincial bankers to the branches of the Bank of England are interesting, proving, as they do, the jealousy which springs from small causes, and the difficulty which generally exists in the establishment of a new principle.

In this year the directors commenced a system which has been found of great benefit to the monetary interest. The period during which the stocks were closed to prepare for the payment of dividends, prevented many persons from availing themselves of those funds to which they looked for support ; and occasioned a pressure on the money market. For the

relief of this, a notice was issued to the effect, that the directors would be ready to receive applications for loans, on the security of bills of exchange, exchequer bills, and East India bonds, at three per cent. These loans, which were proposed to commence on the 5th December, 1829, were to be for sums of not less than £2000, for a period of not less than ten days, and were to be repaid on or before the succeeding 15th of January. On the same day, also, the 3rd December, 1829, notice was given that, from and after that day the Bank would be ready to receive applications for loans on the deposit of gold bullion, to be valued at 77s. 9d. per ounce, at £2 per cent. per annum.

In 1830, the interest on the new four per cent. stocks, which had already been reduced from five per cent., was again reduced to three-and-a-half, from which operation they derived their name of the “New $3\frac{1}{2}$ per Cents.”

The uses of Bank notes are manifold; but the following is a novel mode of rendering them serviceable. One of these for £5 came in the course of business to a mercantile house in Liverpool. On the back of it was written: “If this note gets into the hands of John Dean, of Longhill, near Carlisle, his brother Andrew is a prisoner in Algiers.” The circumstance was interesting, and appeared in a newspaper, in which the paragraph was perused by a person in Carlisle, who had known in past years one Andrew Dean, and was still acquainted

with his brother John Dean of the place named in the note. The son of the latter happened to be in Carlisle, and hearing the intelligence, gave such a report of his uncle that there was every reason to believe he was the Andrew Dean whose captivity became thus singularly known to his friends in England. Of these things are formed the romance of life ; and the impossibility of assisting the Algerine slave must often have been a painful remembrance to the prisoner's brother.

The danger which has always threatened the Bank, when large bodies of disaffected men are drawn together, was renewed in November, 1830. The period was one of doubt and dread. An impulse had been given to all Europe ; and France had again taken the initiative in spreading a desire for change. The tenth Charles proved a true Bourbon ; the spirit of the people burst forth in opposition to the tyranny of the monarch and his ministers, and Great Britain once more sheltered the royalty of France. The spirit spread over Europe. Belgium was separated from Holland. Saxony taught her indolent monarch that there was a limit to human endurance. The free city of Hamburgh felt the influence ; and Switzerland, in her beautiful canton of Berne, responded to the cry. Poland once more re-asserted her ancient rights, expelled the garrison of her despotic monarch from Warsaw, and proclaimed herself free. England felt that mighty and revolutionary spirit. The

demands for reform grew earnest and incessant. Ireland was told by the liberator "to look at France and Belgium." Kent, the garden of England, witnessed the first disturbances. Night after night, conflagrations were lighted up by bands of incendiaries. Mills were attacked: machinery was demolished: and all protection for property seemed at an end. Rioters spread terror and alarm throughout the day; and night was the signal for blazing fires which excited a fearful shudder in those who beheld them. London felt the desire of change, and clamoured for an improved representation. The duke of Wellington indicated his intention of resisting any measure of reform which might be produced, and he grew as unpopular as a statesman as he had been popular as a soldier.

On Tuesday, the 9th of November, the sovereign was expected to dine with the civic authorities, but the prevalent feeling of discontent rendered this visit not advisable in the eyes of the Lord Mayor elect, who had received various letters, stating that it was the intention of a set of desperate men to attack the duke; and, believing himself justified by the various symptoms of disaffection which were visible, he addressed a communication to his grace, which, from its alarming character, prevented the projected visit. There was cause for apprehension and even alarm. Private information had been received by the ministry of a proposed attack upon the residence of the duke

of Wellington. Inflammatory hand-bills were circulated ; “not written papers,” said Sir Robert Peel “drawn up by illiterate persons and casually dropped in the streets, but printed hand-bills, not ill-adapted for the mischievous purpose they were intended to answer.” Under these, and various other circumstances, the government advised his majesty to defer the visit.

“As soon as this determination became known,” says Mr. Hughes, “consternation pervaded all ranks. Men believed that some atrocious conspiracy against the royal person had been discovered, or even that a revolution was at hand. The public funds fell, and mercantile confidence was generally interrupted. The entertainment at Guildhall was deferred ; and instead of civic festivities, the city was disturbed by the rumbling of artillery, and the passage of troops. The Tower ditch was filled with water, and other precautions taken to put that fortress into a state of security. Extra guards were placed at the Bank, and at the Magazine in Hyde park ; while large bodies of troops were billeted in the neighbourhood of the metropolis.”

The effect of this upon the minds of the citizens was instantaneous. Arms were purchased and doors were fastened as if the banner of rebellion had been displayed in the streets. In an hour and a-half consols fell three per cent. The Bank directors felt the danger of their position. The public thoroughfares

were crowded with earnest and anxious countenances. Questions were asked concerning the approaching danger, which no one could answer. Every one seemed to expect some strange and mysterious calamity. Small bodies of men, pouring from their suburban localities, passed the depository of the wealth of the country, and no one knew with what intention. The rumour spread that Temple bar and the bridges were to be barricaded, the gas cut off, and the plunder of the city to follow. It was felt that the populace would have discriminated sufficiently for their own interests to have pillaged the Bank. A tri-coloured flag was borne by the mob. By six o'clock in the evening all shops were closed and every appearance of business at an end. All the assistants were required to remain at the Bank of England, as the possibility of attack was feared. Some casks of biscuits were ordered in to provide against the wants of a siege, in case the mob should be sufficiently desperate, or sufficiently strong to attack it. But the civil authorities were able to meet the rioters. A few broken heads cooled their courage ; and after venting their disapprobation in groans and hisses for the unpopular ministry, and destroying the windows of a police station, for which their occupation gave them an especial dislike, they dispersed without committing any of the dreaded enormities. The Bank directors were relieved from fear, and the clerks released from the civic garrison. " Scarcely were twenty-four hours passed over," said

a writer of the day, “when men were laughing at the foolish trepidation into which they had been betrayed, and wondering where any feeling of alarm could have arisen.” If their rejoicings were in proportion to their fears, they were, doubtless, very hearty. It is the nature of mankind to laugh at past, and to magnify future fears.

From the pamphlet of Mr. Palmer, the following is given, as a clear, succinct account of the financial position of the Bank from 1830 to 1832. Nor can a better or sounder authority be taken. “It was shown in evidence,” says this gentleman in his “Causes and consequences of the pressure on the money market,” “that the policy pursued by the Bank subsequent to the withdrawal of the £1 and £2 notes in England and Wales, had been to maintain their securities as nearly as possible at a fixed amount, and to allow the contraction of the currency, effected by the return of bank notes for bullion, gradually to proceed until the value of the paper money, remaining in circulation, was so far increased as to occasion the return of that specie to the Bank which might have been exported, and thus to replace the currency upon a level with that of other countries. That system had appeared to work satisfactorily, and without any forced action on the part of the Bank in contracting its circulation. It was tried upon the change of government in France, in July, 1830, when credit throughout that kingdom was shaken to its foundation. At that period the

Bank of England was possessed of twelve millions of bullion. Immediately on the events referred to taking place, the currency of England exhibited an excess, compared with France and other parts of Europe. The consequence of that derangement between the currencies of this and other countries was a continued diminution of the bullion held by the Bank, from July, 1830, to February or March, 1832; when the increased value of money in England, and the gradual restoration of credit on the continent, gave a favourable turn to the foreign exchanges which continued in our favour till the autumn of 1833, at which time, the bullion, in deposits, amounted to nearly eleven millions. At this period an exportation of the precious metals again commenced, from causes that will hereafter be explained, as well as the reason why that system, which appeared to adjust itself so satisfactorily from 1830 to 1832, failed from 1833 to 1836; for although during the former period the bullion in the Bank was diminished from twelve to five millions, yet, in the progress of this reduction, as there was no excitement and no undue credit given by the Bank in the interior of the country, the interest of money gradually rose from $2\frac{1}{2}$ to 4 per cent. per annum for first-rate commercial paper, and then, without discredit or distrust of any kind, the bullion returned into the coffers of the Bank, and money nearly resumed its former value, having gradually fallen from 4 to $2\frac{3}{4}$ per cent. in July, 1833."

The causes alluded to by Mr. Palmer were the over-issues of the joint-stock banks, of which forty-two were established in eleven months. The principal number of these were banks of issue, and whether they caused the difficulties hereafter to be related, or not, they must have had a direct influence on the circulation.

By a revision and melting of the silver coin in 1831, the Bank lost on the sixpenny pieces £4,601 1s. 3d., and on other denominations £62,982 19s. 2d., making a total loss of £67,584 0s. 5d.

In 1832 occurred the last run upon the bullion of the Bank occasioned by political causes. The Reform Bill, introduced by Lord John Russell, had stirred party feeling to its very depths. The powerful owners of what were termed pocket boroughs, saw their property attacked, and their influence depreciated. The measure was negatived by a majority of eight. The king went down to the House of Lords, and, in the midst of a most extraordinary scene, prorogued Parliament till the 10th of May. The excitement was increased by a general election, and popular feeling triumphed ; but the license exceeded any thing ever witnessed under similar circumstances. Life and property were no longer secure to those candidates who opposed the measure. An opponent of the bill was stoned before the altar. Conscientiousness was regarded as obstinacy, and the only hope for op-

posing candidates was to be found in flight or concealment.

In the Lower House the bill was again introduced, and passed by a large majority. The speech made by Lord Brougham in the Upper, was so extraordinary in its effect, that one of the public came down to the Bank of England, and transferred £200 into his lordship's name, as a testimony of his appreciation. The measure was rejected in the House of Lords. A strange feeling of excitement spread throughout the country. Meetings were held all over England, by all classes, pledging themselves to the support of government. The Lord Mayor and Corporation, attended by 50,000 followers, presented an address to the throne. The principal opponents of the bill were marked with the disapprobation of the populace. The residence of the Duke of Wellington was attacked. A shower of stones bore the Marquis of Londonderry from his horse, as the most unanswerable of all arguments. The Duke of Cumberland was dragged to the ground, and would probably have been killed, but for the interference of the police. The mansion of the Duke of Newcastle, the head of the borough proprietors, was fired. The Archbishop of Canterbury was insulted; and Bristol emulated the London riots of 1780. In the following December the same scenes, but with increased violence, recurred, and the ministry resigned.

Lord Lyndhurst was sent for ; and on communicating with the Duke of Wellington, “ I should be ashamed to crawl about this metropolis if, under such circumstances, I did not go the King,” were the first words of the “ Iron Duke.”

The knowledge that the great opponent of the bill was likely to be recalled, spread throughout the metropolis. Staves, with the tri-coloured device painted on them, and sticks with concealed swords, were sold in great quantities, while the demand for bludgeons could scarcely be supplied. A speaker at the Birmingham Political Union, amidst the shouts of assembled multitudes, called on his hearers to pay no taxes until the bill should be passed, while a forest of hands sprung up in answer to his solemn but most misguided appeal. The small speakers of their neighbourhoods—men who electrified their families with the force of their lungs, and called themselves orators—were in great requisition ; and the burden of their song was the favourite one of “ pay no taxes—pay no taxes.”

A terrible excitement was exhibited throughout England. “ Preparations,” says one writer, “ were made for a great public tragedy.” Warrants were prepared ; the leaders of political unions were to be apprehended ; troops began to march on disaffected places ; and the monetary interest felt the shock. On every wall throughout the metropolis the significant words of—“ Stop the Duke ! Go for

gold!" were boldly placarded. For a week the Corporation sustained a run upon its specie, which was reduced to £4,919,000. In one day £307,000 were paid. It soon became very questionable whether the run for gold would not drain every banker in the kingdom, and the writing on the wall spake to those having authority with a power far exceeding the most brilliant oratory. Lord Lyndhurst found it impossible to form a ministry; and Earl Grey was recalled.

That the demand was political was proved from the trifling nature of the applications from the country bankers. "I never saw the hall of the Bank," said Mr. Richards, in his evidence in 1832, "except in 1825, so crowded with applicants tendering their notes. They had not in general the appearance of being people from the country." One person who had money with Jones, Loyd and Co. to the amount of £20,000, drew it out from them in the form of notes, and then went to the Bank and demanded gold. The London bankers found that the claims extended to their establishments. Several refused to pay in gold, but, on giving notes, said, "You may go and get gold for them at the Bank." The stock-holders took the alarm, sold their government securities, and demanded specie in return. The funds were low; and when the panic had subsided and confidence re-appeared, the same persons brought back their sovereigns and repurchased their stock at a heavy loss. It is impossible

to say how far the panic would have spread, had the one pound notes been in existence. But it is far from improbable that out of the extensive organisation which then existed, some deeply rooted scheme for a simultaneous demand might have arisen, and produced consequences as unforeseen as terrible. As it was, £1,500,000 were paid in a few days, but no further evil occurred to the Bank of England.

CHAPTER III.

FORGERY—ENDEAVOUR TO PREVENT IT—COMMITTEE APPOINTED
—INCREASE OF THE CRIME—SIR SAMUEL ROMILLY AND SIR
JAMES MACKINTOSH—PROGRESS OF OPINION—PETITION OF THE
BANKERS—INEFFICACY OF THE PUNISHMENT—INSTANCE OF IT
—FORGERIES OF BUONAPARTE.

PREVIOUS to the year 1819, the severity of that part of our penal code which awarded the punishment of death for forging or uttering forged notes, together with the defective nature of the paper, and the facility with which it was imitated, attracted the attention of scientific and benevolent men, who endeavoured, by writing and by declamation, to procure either an alteration of the law or an improvement in the note. The reluctance of juries to convict was evident so early as 1819; and from that period it continued to increase. The exactitude with which the Bank circulation was copied, and the ease with which, therefore, it would deceive the intelligent as well as the illiterate, through the hands of the latter of whom the small notes principally circulated, was proved, to use the words of the

Committee of the Society of Arts, by “the notorious fact, corroborated by evidence produced at several recent trials, that forged notes have passed undetected through the scrutiny of the Bank inspectors.”

The above committee entered into an investigation to ascertain whether there existed any means within the compass of the fine or the mechanical arts of increasing the difficulty of imitation, and thus of checking the prevalence of crime.

The conviction that some check was necessary grew more and more peremptory as the evils of the system were exposed. In fourteen years from the first issue of small notes, the number of convictions had been centupled. In the ten first years of the present century £101,061 were refused payment on the plea of forgery. In the two years preceding the appointment of the commission directed by government to enquire into the facts connected with forging notes, nearly £60,000 were presented, being an increase of 300 per cent. In 1797, the entire cost of prosecutions for forgeries was £1500, and in the last three months of 1818 it was near £20,000. Sir Samuel Romilly said that “pardons were sometimes found necessary; but few were granted except under circumstances of peculiar qualification and mitigation. He believed the sense and feeling of the people of England were against the punishment of death for forgery. It was clear the severity of the punishment had not prevented the crimes.”

The Bank directors were blamed on all sides for their presumed apathy. Every person who had proposed a plan, and had it declined, joined the cry. Every disappointed adventurer, who had asked for Bank capital to carry out his operations, asserted that they had not enquired into the particulars, but had dismissed an excellent proposal without due consideration.

The publication of the truth in the report of the committee exonerated the establishment from charges, which, if true, demanded attention. It has been already stated that one hundred and eight projects, regularly classified and arranged, with specimens of the proposed originals, and successful imitations executed by the Bank engraver, were placed before the commissioners, who concurred in the opinion that neither of them could have been advantageously carried into effect. Seventy varieties of paper were shown, in which every alteration recommended had been tried; while in some instances the directors had furnished to the proposers the pecuniary means of carrying their ideas into effect. It has been seen that the result of the enquiry was, that in July, 1820, an act of parliament received the royal assent, for the further prevention of forging and counterfeiting Bank paper. In it the note was described, and the exclusive privilege of using this plan was granted to the Bank. By the same act, the governor and Company were authorized to engrave the signatures on the

notes instead of signing them, as heretofore ; a privilege, however, of which they have not found it convenient to avail themselves.

What one man can engrave another can imitate, and the evil continued ; although from the return to cash payments, and the diminution of small notes, the forgeries also diminished. The greatest minds in England had been employed in attempting to alter the mischievous nature of the criminal law, The names of Sir Samuel Romilly and Sir James Mackintosh—men who lived before their time, and who can only be fully honoured by posterity—stand proudly and prominently in the van of improvement. They died without witnessing the accomplishment of the object to which much of their energy and intellect had been devoted. But since that period the world has moved onward in the great march of civilization. Much has been realized that our forefathers believed to be impracticable. It has been discovered that many things which were looked upon with an almost religious veneration as unalterable facts, were unalterable fallacies. We are beginning to discover that cleanliness is a vast assistance to morality ; that education is the right of the poor as well as the privilege of the rich. We have found out that to prevent a crime is better than to punish it ; we have discovered too, and it has penetrated to our commercial hearts, that it will cost less to teach a man to be good than to punish him for being bad.

But this was not the case even a quarter of a century ago. Men were hung in strings. Monday mornings witnessed a waste of human life alike horrifying and disgraceful. Prosecutions increased; enormous expenses were incurred; “examples were made,” to use the phrase of the period; and what was the result? The crime continued. From one or two manufactories issued most, if not all, the forged notes which were in circulation; and the manufacturer of thousands remained unscathed while the issuer of one was hung. They were sold to ignorant, uneducated, and almost irresponsible men, for a few shillings in the pound; and there were always a sufficient number, urged by want, desire, or vice, to run the risk which accompanied their circulation. While only such as these were punished, the great mass of the public looked upon their deaths as virtuous atonements; and thought that an occasional blood-letting was as good for a nation as for an individual. But when a gentleman, an educated man, or a banker, was found in danger of the same punishment, the morbid sympathy of the people was excited; the Perreaus, the Dodds, the Rylands, and the Fauntleroys, were looked upon as the porcelain compared with the common clay, and every exertion made to save them from their doom. Thank God, that since then we have discovered a man in fustian feels as much as a gentleman in broadcloth—that death is as difficult to the hard-faring as to the luxurious man—and that the vicious

poor has as deep ties, as warm affections, as strong sympathies, wherewith to make death dreadful, as the vicious rich man. It has been found that the punishment of the crime does not fall solely upon the criminal, but that the agony of parting, and the despair of the fatal moment, is shared by parent, wife, and child, and falls with an equal, and certainly with a more enduring force, upon the head of the survivor, who bears the agony, the ignominy, and the shame, without having participated in the guilt. And who shall say how many have been unjustly deprived of life, and how many have left families behind them unprotected, untaught, and compelled either to follow the fatal footsteps of their parents or to starve !

The press generally, throughout the period, bore manful testimony to the evil. The "Edinburgh Review" devoted its pages to the topic with an energy and a zeal worthy success. "No subject," says this organ of public opinion, "so deeply or so constantly engrossed Sir Samuel Romilly's regards as the severity of our criminal code. He was the first person who broached the question fairly and systematically in Parliament, and he shared the fate of all propounders of change in any institution ; he was derided by some, pitied by others, by not a few execrated, by almost all regarded as the advocate of a desperate cause." "Upon Sir Samnel Romilly's lamented death, the reform of the criminal law was taken up by Sir James Mackin-

tosh, with congenial feelings and great resources of learning, philosophy, and eloquence, and a large experience derived from his political station. All the friends of enlightened and humane legislation cheerfully rallied round so able a leader; and he was of course vehemently opposed by the government of the country."

"The Bank hangings still continue," says one authority, with a contemptuous tone, that can only be palliated by the honesty of its opinions and the importance of its cause. "The Bank prosecutions," says another, "are increasing to a frightful extent. At the April sessions (1820) there were more than forty persons under capital charges; and though only a fortnight has elapsed, the number at the present session is twenty."

The circumstances of many of the cases were strongly represented. All that could interest the feelings was brought forward, until men who were sentenced to be hung began to regard themselves as victims were carried by main force to the scaffold, yelling vain cries of murder from its fearful height, and denouncing all connected with their doom. And yet the evil continued. Jurors again and again refused to convict upon the clearest proof. Men were every day seen submitting to be plundered by forgers rather than prosecute; others were observed to favour in all ways the escape of the worst criminals, by suppressing evidence, and even by giving in

verdicts of acquittal, when evidence was adduced that sufficed to prove guiltiness.

Merchants and bankers announced that they would rather lose their entire fortunes than pour forth the life which it was not theirs to give. A general feeling pervaded the whole interest, that it would be better to peril a great wrong than to suffer an unavailing remorse. One petition against the penalty of death was presented which bore three names only ; but those were an honourable proof of the prevalent feeling. The name of Nathan Meyer Rothschild was the first, "through whose hands," said Mr. Smith, on presenting the petition, "more bills pass than through those of any twenty firms in London." The second was that of Overend, Gurney, and Co., through whom thirty millions passed the preceding year ; and the third was that of Mr. Sanderson, ranking among the first in the same profession, and a member of the legislature.

At last the labours of the press, the public feeling, and an increased regard for human life, produced the introduction of a bill, by Sir Robert Peel, in 1830, to discontinue the punishment of death in certain cases.

It is worthy of notice that the class which was most interested in the subject, which suffered principally from the crime, and whose prejudices, therefore, were likely to be strong, by the memorable petition of the country bankers against capital punishment,

proclaimed that they had no faith in the severity of the law to protect them. With nine hundred signatures to the petition, signatures of men who had an interest in the question, signatures which were not rashly and inconsiderately given, there was no reason for proceeding with the penalty on the ground of protection to these classes. Another remarkable fact was that there was no application in favour of the punishment, and the one against it told the plain tale that the banking community considered the punishment of death increased forgery instead of diminishing it.

When the bill was introduced it was found to be less merciful than was anticipated ; and after a solemn and careful revision, clauses were introduced in the lower house, by which the capital penalty was abolished in all cases of importance, including notes. Sir Robert Peel left his opponents to carry on the remainder of the bill, and the result was that the good cause was delayed by the house of peers rejecting it. But the question now in all men's minds was not whether capital punishment for forgery would be abandoned, but when ! In 1832, it was settled ; and all cases were excluded excepting only forgeries of wills and powers of attorney. But though the clause was maintained in the bill, no one supposed that the punishment would ever be inflicted ; and, in 1836, when the forgery of a power of attorney was discovered, the Bank humanely and judiciously de-

clared an absence of all wish to see the criminal capitally punished ; and the cause of justice, humanity, and sound principles prevailed.

A remarkable evidence of the inefficiency of these punishments arose from the execution of one William Weller for uttering forged Bank notes. "From the very room," says the "New Annual Register," "in which was placed the coffin with his corpse, and during its continuance in that room, some forged Bank notes have been uttered by his confederates. The conclusions are as obvious as irresistible. These facts demonstrate the total inefficacy of the punishment of death for the suppression of such crimes. In all future and approaching discussions they should not be forgotten."

Such and so strong was the feeling against the punishment that, by the Edinburgh reviewer's testimony, "men suffered losses to a large amount, and repeatedly, without complaining, because they knew that their complaint was the death-warrant, and might be such, of a fellow-creature. Others who could give evidence kept their lips sealed, for fear of being called upon as witnesses, should it be known that they possessed any criminal information."

But it was not only with the English fabricator that the Bank had to deal. Alluding to the question under consideration, Mr. Nicholls said, in the House of Commons, "forgeries of the small notes had made

alarming progress, and the practices of our own government, against France and America, showed the impossibility of resisting the effects of forgery.* They had been encouraged by government; and even our courts of justice had said that to depreciate the credit of an enemy by forging its paper money was a moral act." In 1820 a very extraordinary appeal was made to the French tribunals by a man named J. Castel, who was a merchant in Hamburgh, while the free city was in the hands of the French. He accused the general commanding there of employing him to get five thousand pounds worth of English Bank notes changed, which proved to be forged, and he was compelled, in consequence, to fly from Hamburgh. He also asserted that Savary, Duke of Rovigo, and Desnouettes, were the fabricators, and that they employed persons to pass them in England, one of whom was seized by the London police, and hanged.

If these things be true, and if our own government practised thus against America and France, and our courts of law called them "moral acts," if thus a regular system of forgery was conducted upon a great scale, and justified because it had great ends to gain, it is difficult to imagine with what degree of assurance that government could be gifted which hung a man for doing in a small what they did themselves in an enlarged degree. But whether this was the truth

* Mr. Doubleday asserts that Mr. Pitt caused a large quantity of French assignats to be forged at Birmingham, with the view of depreciating the credit of the French republic.

or not, there is sufficient collateral evidence to arrive at the conclusion that the appeal made by J. Castel was founded on fact. During the last wild attempts of Napoleon, when the armed league of the monarchies of Europe were crushing him with fatal effect, Eugene Beauharnais, with his army, was compelled to retreat from his Italian vice-royalty. Part of that retreat was through the Austrian Tyrol. As they passed this mountainous region, forged notes of the Austrian Bank were sold by them for any sum that was offered. The small baskets of the country were filled and sold for a few crowns, or for anything that the peasantry would offer ; and there yet reside in the Tyrol men who profited by the opportunity ; who, taking advantage of the disturbed state of Europe, passed with their counterfeit notes to Hungary, where they purchased large droves of cattle, and other articles valuable in their native country, to which they successfully brought the result of their deliberate frauds. The men are yet living ; they are still pointed out by their contemporaries ; and whatever shame may attach to them, a far deeper infamy, and a more enduring degradation, must rest upon that Imperial head which contrived, abetted, and sanctioned the crime.

CHAPTER IV.

THE NEW CHARTER—ITS CONDITIONS—EXTRAORDINARY DISCOVERY
—HOLIDAYS ABOLISHED—FAILURE OF THE GOVERNOR—LONDON
AND WESTMINSTER BANK—SPECULATIONS IN 1836.—PANIC—
DEMAND FOR BULLION—ITS CAUSE.

THE charter of the Bank of England again occupied the attention of the House of Commons in 1832. From the circumstances which had arisen out of the panic, from the general feeling that a great alteration must take place in its construction, and from the ominous remark of Lord Liverpool, that “such privileges were out of fashion,” great anxiety was experienced by the friends of the Corporation, and the price of the stock declined from 202 to 185. On the 22nd of May the question was opened by Lord Althorp moving for a committee of secrecy to report upon the expediency of renewing the Bank privileges, which, after some desultory remarks, was agreed to; and, on the 11th of August, 1832, a brief report was delivered, accompanied by some very valuable documents, and

examination of witnessess. The committee arrived at no conclusion, in consequence of the limited time allowed for their deliberations; but the report was satisfactory to the proprietors of Bank stock, and the public generally. The following is the conclusion. " Of the ample means of the Bank of England to meet all its engagements, and of the high credit which it has always possessed, and which it continues to deserve, no man who reads the evidence taken before this committee can for a moment doubt; for it appears that, in addition to the surplus rest in the hands of the Bank itself, amounting to £2,880,000, the capital on which interest is paid to the proprietors, and for which the state is debtor to the Bank, amounts to 14,553,000, making no less a sum than £17,433,000 over and above all its liabilities."

The publication of the report was believed to have produced a beneficial result. Many who had previously doubted the wisdom of the management, found their doubts removed, and were disposed to regard it with more favour than they had evinced before the enquiry. On the 31st of May a letter was placed before the proprietors, containing the proposals of the government; in which Lord Althorp stated that the only relaxation in their privileges was that which allowed joint stock banks, more than sixty-five miles from the metropolis, to draw bills and issue notes payable in London.

The following clauses, in addition to the declaratory

one hereafter to be mentioned, were the distinguishing features of the charter of 1833.

“That while the Bank of England is liable to pay gold on demand, all the notes of the Corporation shall be made legal tender for all sums above £5, excepting at the Bank itself and its branches.

“That one-fourth of the debt due from the public to the Bank be repaid, and that the Company be at liberty to reduce its capital stock in the same proportion.

“That the laws restricting the interest of money to £5 per cent., shall be repealed, so far as they affect bills of exchange not having three months to run before they become due.

“That the charter shall be extended for twenty-one years, from the 1st of August, 1834, with power to the existing government to suspend its privileges on giving one year’s notice, after the expiration of ten years.

“That no banking company of more than six partners, within sixty-five miles of London, shall issue notes payable on demand.

“That all notes of the Bank of England issued out of London shall be payable at the place where they are issued.

“That a weekly account of the bullion and securities, the circulation and the deposits, shall be forwarded to the treasury, an average of which shall be published quarterly.

"That, in consideration of its exclusive privileges, the Bank shall pay £120,000 per annum, to be deducted from the sum allowed for managing the national debt."

On the same day also the public were made aware of the terms proposed by Lord Althorp, who stated that the principle on which the Bank had acted, of keeping one-third of the amount of its liabilities in bullion, and of expanding or diminishing the circulation in proportion as the bullion was increased or diminished, had reason and experience in its favour. The question of permitting one bank only to issue paper had been maturely deliberated, and the result was that a single body was considered better than rival banks, provided a sufficient check could be obtained. The check proposed was a weekly return to the treasury of the circulation and deposits, with the bullion and securities of the Corporation, the average to be published quarterly. Hitherto the Bank had only been able to repress the circulation by reducing the discounts; and this operated disadvantageously upon the commercial interests. By a change in the usury laws, all bills with more than three months to run would be exempted from their operations. For these privileges the Bank were to allow £120,000 a year.

Many opinions were expressed during the debates on this important bill. Mr. Poulet Scrope attributed all the fluctuations in our system to the monopoly of

the Bank, and expressed great surprise that government should wish to bend down the country to those task masters, whose stripes were yet fresh on their shoulders. He dreaded this increase of power to the Corporation, for it would establish a more complete tyranny than that of Napoleon Buonaparte. Sir Robert Peel thought the contract an improvident one for the public, and this was clearly indicated by the fact that Bank stock had risen from 193 to 208. He objected strongly to making bank notes a legal tender.

Mr. Fryer believed this bill would render the gold circulation of the country unproductive. If they were to return the gold of Potosi to the bowels of the earth, they could not render it less serviceable than it would be by this bill. A man who had now £30,000 in gold could scarcely get any interest for it. The Bank stepped in with its cheap rags and prevented him from using it to advantage. This was a ruinous sort of competition ; it was like that of the Rob Roy and Quicksilver Brighton coaches. The Rob Roy offered to carry passengers cheaply ; but the Quicksilver offered to take them for nothing and find them a bottle of wine on the road. The Rob Roy was beaten out of the field, and the Quicksilver was run away with and smashed ; and that would be the result with the Bank. Mr. Attwood remarked that the old banks, both in London and the country, had one fault,—a sordid and servile devotion to men in power ;

that was bad enough ; but the joint-stock banks, which it was proposed to establish, would be seven-fold more the tools of the government of the day, because they would all be under the Bank of England, and that establishment was under the immediate controul of government ; so that the government would instruct the Bank of England ; the Bank would instruct the branch banks ; the branch banks would instruct the joint-stock banks ; the joint-stock banks would instruct every one of their partners ; the partners would instruct their debtors, and the people of England would rue the day in which such a system was commenced. He was more than ever convinced that government should be the sole issuer of notes.

Some resolutions, with regard to joint-stock banks, which Lord Althorp proposed to introduce into the bill, were abandoned in consequence of the opposition of the country bankers ; and one of the most remarkable evidences occurred, during the progress of this charter, of the implicit faith of men in that which every one declares to be true, in the strange discovery that, as the law stood, there was nothing to prevent joint-stock banks of deposit from being established in London, nor had there been at any time an enactment to that effect. A clause was therefore introduced declaring such to be and to have been the law, thus saving the government a tedious opposition on a point already within their power. The opinion of the legal authorities was, that banks with more than six partners

might exist within the magic circle, but not as banks of issue.

The government were not in this matter so straightforward as the government of a great country should have been. The basis of the contract was distinctly understood to be, that all the exclusive privileges of the Bank should remain. Among them was that which made the existence of joint-stock banks in the metropolis a violation of the charter. This was the full conviction of all who considered the subject. That it was the firm persuasion of the directors of the Bank there can be no doubt. That the public thought so is equally unquestionable; or banks of deposit, with more than six partners, would have sprung up throughout the city. When therefore it was proposed by the ministry to allow these banks in London and its immediate vicinity, the proprietary came to a spirited resolution, "That the court feels itself bound, in justice to its own character, to protest against the treatment it has experienced at the hands of the Chancellor of the Exchequer, who has, in the opinion of this court, most improperly and unjustly departed from the terms of his own proposition; and after having engaged to continue certain privileges to the Bank, on consideration of stipulated pecuniary concessions, has since determined to withhold from the Bank some of the most important of those privileges without making a corresponding abatement in the pecuniary concessions. That, although this course of

procedure and the violation of the contract, fully justified the Bank in rejecting the arrangement in toto, this court, considering the extensive injury to the public interest that might be the result, and considering that a new range of prices had been made, in the conviction that the question was settled, is unwilling to assert its undoubted rights at such hazard, and authorizes the court of directors to submit to the arrangement."

The Solicitor-General maintained that the establishment of such banks was not an encroachment on the privileges of the Bank of England. He had looked into the various acts, and they clearly proved that monopoly was confined to the issue of paper money within sixty-five miles of the metropolis. That monopoly should be preserved. He was prepared to prove that the act referred to banks of issue only.

The reply of Mr. Alderman Thompson was what a direct view of the question must necessarily produce. "He had a right to contend that the interpretation he had put upon the law was the right one, because it had never been questioned in a court of justice, and had been universally acted upon by mercantile men. Lord Althorp had stated that he had no intention of defrauding the Bank of any privileges which it at present enjoyed. The introduction, however, of this clause would have that effect." The governor addressed a letter to the Chancellor of the Exchequer, stating that the stipulation proposed did not, either

literally or substantially, carry out the agreement of the Bank with the government, that it took away their exclusive privileges ; but that, to avoid the inconvenience of further delay, they would submit to it. A clause to the following effect was inserted : “That any body, consisting of more than six persons, may carry on the business of banking in London, or within sixty-five miles of it, provided such body do not borrow, owe, or take up, in England, any sum or sums of money on their bills or notes, payable on demand, or at any less time than six months from the borrowing thereof.” Under this declaration, any bank of deposit only might be established.

There can be no question that government availed itself of an unexpected discovery to the injury of the Company. It is lamentable, but true, that a collective body will sometimes condescend to acts from which each member would shrink in his individual capacity. Lord Althorp—a most upright and honourable man—admitted that he had “in an off-hand way,” said “that he did not intend to propose the establishment of joint-stock banks in London, because he thought such was the law.” Such was the law fully believed to be by all mercantile men ; the privileges of the Bank had been supported by that belief ; they were in actual existence, and had been long enjoyed by the Corporation. They may be argued away by special pleading ; but no special pleading can prevent the fact from being most dis-

tinct, that for more than a century, the Bank of England, by virtue of one act of Parliament, possessed certain prerogatives, which were the foundation of the new arrangement with government, and contemplated in the amount of payment; and that the latter, finding, by a novel construction of the deed, they might be abolished, did, without hesitation, that which they had no moral claim to do, by putting in force this new interpretation of an old act of Parliament. No wonder such conduct was impeached, or that the Court of Proprietors, justly indignant at that which in a private person would have been deemed a breach of faith, entered the important protest just recorded.

That the writer is justified in the view he has taken is confirmed by the following extract from a pamphlet by Mr. Palmer, who says, “A declaratory clause was inserted in the Bank Charter Act, authorising the establishment of those bodies in the metropolis. It is conceived that the Bank had the more reason to complain of the ministers’ proceedings upon that occasion, it having been distinctly understood during the negotiation, that the law affecting the formation of banks within 60 miles of London should remain untouched ; and upon the faith of that understanding Earl Spencer undertook to bring the bill into the House of Commons for the renewal of the charter of the Bank.”

This charter was important from many causes. The weekly account to be transmitted to the Lords of

the Treasury was a wise provision, as it was no inconsiderable check upon the transactions of the Bank, while the publication of the averages every quarter could produce no further effect than to present that information to the monetary world which had hitherto been wanting. But a yet greater object was achieved in the alteration of the usury laws, as the first relaxation of a principle which had weighed heavily upon the claims of commerce. The payment of one-fourth of the debt due to the Bank was in consideration of the loss sustained by the latter of one per cent. on the amount lent to government.

On the 31st July, 1834, a special court of proprietors was held to agree to the terms proposed of paying off one-fourth of the Bank capital. The following resolutions were passed :—

“ That a proposal from the Chancellor of the Exchequer to transfer to the Bank the sum of £4,080,000 three per cent. Reduced Annuities, in liquidation of a fourth part of the permanent debt due to the Bank, which will become due on the 1st of August next, be recommended to the proprietors for adoption ; provided the transfer be made so soon as the act of Parliament shall have passed authorising the same, and the interest on the returned capital be paid up to the day of the said transfer.

“ That the court also concur in opinion with the Court of Directors, that it will be of advantage to the future management of the affairs of the Bank to

retain the proportion of debt when repaid by government; this court do, therefore, in pursuance of the authority for that purpose, contained in the act of 3rd and 4th William IV. cap 98, determine not to divide or appropriate the sum of £3,638,250, or any part thereof, amongst the several persons, bodies politic or corporate, who may be proprietors of the capital stock of the Governor and Company of the Bank of England on the 5th of October next."

By an act passed, to provide for the repayment of the sum, it was arranged that £4,080,000 Reduced Three per cents. should be placed to the credit of the Bank of England, and form part of the public debt; the Bank to receive interest from the 1st of August, 1834, until the £4,080,000 should be written in their books, and continue a corporation till redeemed.

In the same year, the Bank allowed an interest of two per cent. on the balances of the East India Company, as an inducement to the latter to allow them to remain in their possession. In this year, also, the new four per cents. were reduced; and by the proposed terms, the holders might either receive £100 stock at $3\frac{1}{2}$ per cent. not redeemable until 1840, or £70 at £5 per cent., not redeemable until 1873. The principal number chose the former, and the remainder form the holders of the new five per cents., amounting only to £430,000.

In 1834, the holidays of the Bank of England,

which had been previously reduced to a considerable extent, were entirely abolished. The question is one of great interest. That an occasional relaxation of the frame is desirable to the toil-worn and the weary, is unquestionable, and when it does not interfere with public duty, is justice, and not generosity. Men were not born to labour in pent up cities, breathing an impure atmosphere from morning to evening, to the exclusion of all that is natural and healthful. Our forefathers were wiser than their descendants. They knew that to grant their servants a recreation was to benefit themselves. That to mingle with them in their sports, and to encourage them in invigorating pastimes, was politic as well as pleasant ; and this great fact will once more be comprehended, because it is a question of self-interest. It will yet be understood that a day passed in the green fields, in the fresh air, or on the gay river, produces a desire no less than a capacity to serve, and that to make a man believe his interests are cared for, will induce him to regard the interests of his employer in a ten-fold degree. These things are not written of the Bank of England. The writer rejoices in bearing testimony to their great and honourable liberality ; and it is a curious incident in the history of the holidays, that the members of the Stock Exchange at whose solicitation they are stated to have been abolished, made, at a subsequent period, an application to have them restored.

In 1834, a great sensation was created throughout

England, by a circumstance which was only important from its connection with the Corporation. Mr. Richard Mee Raikes, governor of the Bank, a gentleman universally respected, was compelled, from various unforeseen events, to announce a suspension of payments, which was followed by the appearance of his name in the list of bankrupts. The rumour spread among the less-informed class, among the dwellers in the suburbs, and the inhabitants of the country, that the governor of the Bank had failed. The annuitants and small class of fund-holders, who look upon the head of the establishment as an integral part of the Corporation, regarded their fortunes gone, and their property forfeited. The autumn dividends were just due; and it was remarkable to witness the earnestness with which they were applied for. The offices were crowded with applicants; and if the slightest delay occurred, though occasioned by their own ignorance, they regarded it as an invidious delay of their rights, and a confirmation of their fears. Time, however, in this as in other things, brought "healing on its wings," and confidence to the breasts of the public creditors.

The commencement of banks in the metropolis with more than six partners, demands a brief remark. "The London and Westminster" and "London joint-stock" banks, were the first establishments of the kind, and from a combination of causes have commanded complete success. Mr. Gilbart has, in his "History

and Principles of Banking," discussed, in a very able manner, the comparative merits of joint-stock banks and private banking houses; and though he may be regarded as liable to be partial, yet there is an equitable statement of truths in his essay, which demands respect, at whatever opinion the reader may arrive. The formation of the Bank to which this gentleman is attached, is memorable from the dislike evinced to it by the private bankers refusing to allow a clerk from the new establishment to attend at the clearing house. The directors of the "London and Westminster" also considered themselves aggrieved because the Bank of England declined to allow them a drawing account, and alluded to both these circumstances in their yearly report. Such occurrences are incidental to all new concerns, and the rights of the Bank stock proprietors are the bounden charge of those whom the latter choose to manage their affairs.

In 1834 the new bank applied to the House of Commons for the privilege of sueing and being sued by its chairman. Considerable opposition was shown; and Lord Althorp, who thought that parliament would not be justified in granting the application, moved "that the bill be read that day six months." It was stated, however, that this bank had been established on the faith of the declaratory clause, introduced by Lord Althorp, and that out of seventy private banks, twenty-two had failed in twelve years to the amount of seven millions, of which four millions had never been paid,

The bill went through the lower, was introduced to the upper house, and there, after the expression of Earl Grey, that it would be inconsistent with the exclusive privileges of the Bank, it was resolved that certain questions should be framed for the consideration of the judges. These learned gentlemen declined answering, and as the session was near its close, the bill was withdrawn.

In 1834 symptoms of a dormant spirit of speculation might have been discovered in various propositions for foreign loans ; joint-stock banks ; and one,—the London and Southampton-Railway. The year 1835 witnessed a continuance of the same spirit ; and in May of that year, the speculation in Spanish funds, which had been extensively carried on, suddenly exploded. The bullion began to flow out of the Bank, and by the 2nd of June it was reduced to £6,150,000. In the following August a notice was issued by the Bank, that advances would be made on Exchequer bills, India bonds, Stock, and other approved securities at $3\frac{1}{2}$ per cent.; the previous rate for similar advances being 4 per cent. In August, 1835, the proposition for the West India loan was made ; and in the opinion of those opposed to the Bank, the above reduction of interest added a stimulus to the excitement then prevalent. The bullion in the coffers of the Bank, which on the average of the three months before October, 1833, had been £10,900,000, had fallen by the June average of 1835 to £6,150,000.

This reduction was considered by Mr. Palmer, in his “Causes and consequences of the pressure upon the money market,” to arise from the loans to Portugal and Spain. “These loans were going forward from July, 1833, until towards the end of 1834, when the profits realized upon the daily extending engagements in the foreign stock market engendered a further spirit of speculation in almost every kind of previously neglected South American, Spanish, and Portuguese bonds, causing an enormous advance in all, and in some nearly 100 per cent. In short, until the spring of 1835, hardly a packet arrived from the continent, which did not come loaded with every sort of foreign securities for realization upon our foreign stock market.” But other causes were in operation, one of which is to be found in the measures taken by President Jackson to establish a metallic currency in the United States, which partially assisted to drain the vaults of the Bank of England. The demand ceased in May, 1835 ; and the directors increased their circulation to the extent of five millions, from August to the close of the year.

The late Lord Sydenham, (then Mr. Poulett Thomson,) caused a register of the various companies to be kept, the number of which amounted to between two and three hundred in 1836, with an aggregate capital of about two millions. Joint-stock banks were a favourite investment, and the shares of nearly all these companies bore a premium. Railways also, from the

success of the Liverpool and Manchester, were freely entered into. Mr. Tooke, in his History of Prices, says, "new lines were proposed to intersect almost every part of the kingdom, and there was actually a swarm of Railway projects starting up in every direction. The rage for undertakings of this kind was at its height in the spring of 1836, and numerous other projects for public companies were at the same time brought into notice. The most considerable of these were for mining purposes. And several of the projects proceeded on substantial grounds with fair prospects of success, along with many others that were absolutely worthless, and served only for the individual benefit of the projectors. But the good, bad, and indifferent, contributed to a general activity of the share markets."

In July, 1836, the rate of interest was raised by the Bank to four-and-a-half, and in August to five per cent. Those opposed to the establishment again blamed this policy, as too sudden a contraction of the currency. It was about this period also that the Bank reduced their loans by refusing to discount all bills drawn or endorsed by joint stock banks of issue, together with an immense amount of bills drawn from America on, and accepted by several first-rate establishments in this country, although the acceptors were considered to be of the most unquestionable solidity. The Chamber of Commerce at Manchester estimated the loss on cotton, wool, silk, linen, and hard-ware,

at forty millions, in addition to the moral and social evils which follow the deprivation of employment to the working classes.

The customary result of the wild love of speculation of 1836, to which allusion has been made, was witnessed in panic, prostrate credit, languid commercial operations, and a drain upon the Bank of England. The joint stock banks felt the pressure. The Agricultural and Commercial Bank of Ireland suspended payments ; and a fearful panic, from the stoppage of the Northern and Central Bank of Manchester, with numerous branches, was only prevented by the assistance of the Bank of England. During this period the bullion had been again diminishing, and on the 17th of November it had fallen to £4,933,000 ; and a fortnight after the determination had been taken to support the Northern and Central Bank, an account of which is given at a later period, it fell to £4,545,000. The great importance of the Corporation was experienced in its resolution to support commercial credit ; but the panic was, as usual, productive of many opinions as to the cause.

A pamphlet, published by Mr. Horsley Palmer, attracted great attention ; answers poured from the press in attempts to disprove one of the positions assumed by him, that it was owing to the mismanagement and over-issue of the joint stock banks. Mr. David Salomons replied, and among other causes, attributed the derangement of the currency to the

"transaction between government, the public, and the Bank of England, connected with the West India loan." "The joint stock banks," says Mr. Salomons, "do not hesitate to repel the charge, and to accuse the Bank of England of having caused the mischief which they attempt to lay to the account of the joint stock banks." Mr. Samuel Jones Loyd, Mr. Sampson Ricardo, with others, entered the lists, either in defence of the joint stock banks, or in attack upon the Bank of England. And the question closed, doubtless, with the conviction of each, that his own theory was demonstrated

CHAPTER V.

LOSS OF THE NORTHERN AND CENTRAL BANK—APPLICATION FOR ASSISTANCE—STIPULATIONS DEMANDED—DIRECTORS AT MANCHESTER—PRIVATE LEDGER—APPLICATION OF MR. FRESHFIELD—ITS SUCCESS—CURIOS DISCOVERIES—FAILURE OF ESDAILE AND CO.—ALARM AND ASSISTANCE OF THE BANKERS—DIFFICULTIES OF AMERICAN HOUSES—SUSPENSION—FOREIGN CREDIT—DRAIN OF GOLD—RESTORATION OF CONFIDENCE—NEW MODE OF MANIFOLDING BANK NOTES.

THE committee appointed on joint stock banks of issue in 1836, produced some curious disclosures. The Northern and Central Bank of Manchester occupied a great part of its time, and the following are the most important results, in connexion with a transaction which occasioned considerable comment. In 1834 this bank was established, with a paid-up capital of £710,000, and 1200 shareholders, the united property of whom was considered equal to ten millions. Not one of the directors had previously been engaged in banking, and, unfortunately, they were prosperous to a great extent; at the commencement of their business, as it induced them to extend their branches in thirty-nine towns, without an adequate capital, and probably gave them an idea of the ease with which a

banking connection might be formed, while it deprived them of the caution necessary to conduct it to a successful issue. The rule which the Bank of England had constituted, not to discount any bill endorsed by a joint stock bank of issue, was, however, felt severely by the managers of the Northern and Central, who found their paper refused by the discount houses of London, not because it was doubtful, but because it was impossible to re-discount it ; as paper possessing the endorsements alluded to, although it had the signatures of the first bankers in the city, was sure to be rejected.

Mr. Gilbart stated it as his belief that "this arose from the hostility of the Bank of England to joint stock banks of issue, and that they regarded them as rivals." But the idea of rivalry between the great Bank of the Empire and a provincial joint stock bank, is scarcely probable. It is more likely to have had its rise in the hope of restraining these banks from that over-trading, in which, at a future period, many were found to have indulged.

The mode of allotting shares was a remarkable feature in the history of these establishments. By some questions of Sir Robert Peel it was ascertained that shares in some of these banks were awarded to others at par, not for the establishment, but for the directors ; that, "if shares were allotted to A B C, and A B C could not take them, the directors made the profit," and that "part of the

profits of the Northern and Central Bank were made by allotting shares at a premium." "It was usual," said one of the witnesses, "if you take an account to any bank, to have shares granted you if you apply for them." Thus the Northern and Central Bank received shares from the London and Westminster, the Yorkshire District Bank, and the Royal Bank of Ireland. These shares were not only divided among the directors for their private advantage, but the deposits were paid out of the funds of the Northern and Central Bank, to the amount of more than £50,000; and as this narrative proceeds it will be found that the most unbusiness-like transactions were carried on. It must however be remembered, in extenuation, that banking is a science, and that the directors of the Northern and Central Bank were utterly ignorant of its principles.

The pressure experienced throughout England in 1836, and the general difficulty in obtaining discounts, was first felt by the managers in August. "The cause of our distress," said Mr. Moult, the chairman, "was, that the Bank of England had set their face against discounting our paper, or the paper of any joint stock bank of issue." The difficulties, however, had their origin in overdrawn accounts. Up to June, 1836, no distress had been experienced, and the managers believed themselves so strong in a paid-up capital of more than half a million, that nothing could injure them. Great losses were, however, sustained

in the branches, and these, with the scarcity of money already alluded to, contributed to add to their troubles. Mr. Cassels, agent in London, wrote to the head bank that money was very scarce, and advised the directors to obtain discounts in the country, and send up all the cash they could gather, as a large amount would be required. On this urgent application for assistance £108,000 were procured, and entrusted to Mr. Evans, manager at Manchester, who arrived in town on the 28th of November, 1836. In St. Martin's-le-Grand he called a conveyance, which took him to his hotel. "My mind was very much engaged upon the state of things generally," said this gentleman, in his examination before the committee of the House of Commons, "and the matters I should have to discuss, and at the moment of leaving the cab, I lost sight of the bag which contained the money, and left it behind me." This alarming discovery was almost immediately made; and in no very enviable state of mind he ran with all possible speed to overtake the conveyance. The attempt was vain; and Mr. Evans instantly sought the authorities at the Mansion House, communicated with Forrester, and, assisted by Mr. Bush, solicitor to the bankers, took the best measures which they could devise together to recover the property.

The loss was of the utmost importance. It was felt that the rumour of such an occurrence would affect the Northern and Central very seriously. Mr.

Evans, therefore, accompanied by Mr. Braidley, determined to seek the assistance of the Bank of England ; and at five o'clock on the same day they procured an interview with the governor. Mr. Braidley remarked, before the committee, "the loss of the parcel having become known, it occurred to him that, if published in the newspapers, a run might be created on the branches of the country, and that it might extend even to the injury of the Bank of England." When it was said to Mr. Evans, "then the committee are to understand that the loss of the parcel was not the cause of your going to the Bank of England?" he replied, unhesitatingly, "certainly not."

At this meeting Messrs. Braidley and Evans requested the Bank to advance £100 to £200,000, on bills, promissory notes, and other securities, and as an inducement offered to close two of their largest branches. During this interview no conclusion was arrived at, although the governor intimated his opinion that a larger amount of cash would be necessary to render them any essential service. By eight o'clock the same evening the parcel was recovered ; and if the loss had been the sole cause of the application, it seems reasonable to suppose that the negociation would have ceased.

On the following morning, however, it was renewed by Mr. Braidley, on the grounds that the Northern and Central Bank could not meet its engagements without the assistance of the Bank. The first thing

they were informed was that the Bank would make no advances, unless it were an absolute necessity, and that, as the help of the Bank must become known, it would be advisable for them to go on without it, or proceed elsewhere. The applicants immediately withdrew to consult, and on their return declared it to be a case of urgent necessity ; and the following statement of the liabilities of the Northern and Central Bank was handed in :

Deposits	£260,000
Circulation ,	300,000
	£560,000
Cash in hand	180,000
	£380,000

The assets consisted in bills, notes, and overdrawn accounts. £300,000 of marketable paper could be immediately given ; and the overdrawn accounts were stated to amount to £900,000. On this statement the Bank agreed to advance £500,000. £100,000 immediately, and £400,000 at a future period, upon the condition that all the branches, sub-branches, and agencies should be closed, excepting only Liverpool and London. The Bank also insisted that the London agents should have no repayment made to them until the debt of the Bank of England should be liquidated. Mr. Evans considered his application to the Bank of England as something similar to going to a broker for it, without being expected to give any statement of the affairs of the Bank. “ We were

not," he said, somewhat energetically, "called upon to pay off our deposits, we were not called upon to pay our circulation, they were both as high as they ever were, and the credit of the Bank was very high throughout the country." The governor, however, took a very opposite view, and pointed out the decrease in their deposits to £260,000 from the large sum of £900,000, at which they had previously stood. It is both curious and instructive to compare the earnestness with which they thus applied for assistance, and the greatness of its necessity, with the remarks in which they indulged before a committee of the House of Commons, when their purpose was gained and the danger passed. Thus Mr. Brailey calmly asserted that he believed it was only the anxiety of the Bank of England for their own credit which induced them to grant the help, as, "if the information of the lost parcel got into the papers, and there should be a run on forty banks in different parts of the country, the consequences would be so serious that the evil would extend eventually to the Bank of England," and a national calamity occasioned, which he was patriotically desirous to avert, even at some sacrifice. Mr. Moult also "knew no other reason than that it would save a run upon themselves, as the Bank had no love for them." It was added, "the assistance given by the Bank was certain to injure us. If it had been refused, the directors were to proceed home as rapidly as possible to close

the bank." The assertion "that the Northern and Central Bank was in a good healthy state," was scarcely compatible with "proceeding home as rapidly as possible to close the bank." After an important discussion, which lasted from ten in the morning until six in the evening, the following letter was signed, and arrangements made for the receipt of the money,

London, 29th of November, 1836.

Sir,—In consequence of the urgent necessities of the Northern and Central Bank, and under the severe pressure they now experience, we beg, on behalf of that establishment, to apply to the governor and Company of the Bank of England for an advance to sustain the current engagements of the Northern and Central Bank. We are desirous of receiving immediately the loan of £100,000, upon the discount of paper now submitted; and we request the aid of the Bank for a further sum, not exceeding £400,000 beyond the above £100,000, to be advanced to us as may be found necessary.

We are, Sir,

Your very obedient servants,

BENJAMIN BRAIDLEY, Director.

THOMAS EVANS, Manager.

To the governor of the Bank of England.

One of the stipulations of the Bank of England had been for a full account of the affairs of the applicants; and by the 12th of December a specification

was delivered which materially differed from the first statement, the deposits being £860,000 instead of £260,000. The attendance of some of the managers was instantly desired at the Bank of England, and the discrepancy was attempted to be explained; but an examination of the books at a later period utterly destroyed the excuse. It also appeared that, after the advance of £600,000, a very large amount would be required to bring the business to a successful issue. The affair assumed so serious a complexion, that the governor informed the representatives of the Northern and Central, that further relief could only be granted on condition of their books being instantly closed, as the Bank would not continue assistance while they made fresh engagements, and that, in consideration of this, and of the consequences likely to occur to the whole country if they stopped payment, they should receive the requisite aid.

In both these arrangements the Bank had stipulated that the London agents of the establishment for which assistance was required should postpone their claims until those of the Bank of England were fully satisfied, and a letter to this effect was required before carrying out the agreement. To this the directors of the London and Westminster Bank demurred very decidedly, and it is said that the arrangement nearly fell to the ground. The interests of this bank, however, were involved to a considerable extent; and it is probable that their refusal was rather an evidence

of disapprobtaion than of positive opposition. However this may be, they found it advisable to consent to the terms proposed. The directors of the Northern and Central Bank held a meeting, at which, after entering into a review of the transaction, and declaring "that the Bank of England had more than fulfilled their part of the agreement ;" they were compelled, however unwillingly, to consent to close their business. The affair was so important that two of the Bank directors, Mr. Dobree and Mr. Prescott, accompanied by Mr. J. W. Freshfield, jun., solicitor to the Bank, immediately proceeded to Manchester, to take possession of the securities, and examine the affairs of the company. The investigation was most unsatisfactory. By an account rendered on the 17th of December, there appeared securities to the amount of £373,136, while, by the books, the almost incredible discovery was made that of these so called securities £104,740 consisted of dishonoured, or as they were delicately termed, "overdue" bills, and that very many were nearly worthless. Their advances had been on the most profuse scale. The directors owed the enormous sum of £290,000; while, with a liberality not usually awarded to these functionaries, the clerks were in debt nearly £14,000. The proprietors formed a large proportion of debtors; and of fifty-two principal ones at Manchester, thirty-five were shareholders; and of twenty-nine at Liverpool, twenty-one proved to be the proportion interested.

These things would have been startling to any one ; but to the directors of the Bank of England, accustomed to a precision little less than marvellous, they must have appeared most extraordinary. But this was not all. It was accidentally discovered that secret accounts were kept ; and on application to examine them, some difficulty occurred. The private ledger was not forthcoming ; and a letter, of which the following is an extract, was written by Mr. Freshfield, demanding, as an unquestionable right, the possession of so important a document. It will also place in a clear and forcible light some more transactions of the managers of the Northern and Central Bank before the reader :—“ In the course of the inquiries undertaken by Mr. Dobree and Mr. Prescott into the assets of the Northern and Central Bank, it appeared that large debts were due to the company by the directors ; and on prosecuting this, it was found that, partly in their own names and partly in the names of connexions or friends, put forward avowedly to represent them, there were debts owing by directors to the company exceeding the enormous sum of £200,000. The principal security for these advances consisted of shares in the Northern and Central Bank ; and Mr. Dobree and Mr. Prescott, therefore, felt it their duty to ascertain the existence of these shares ; first, as a material part of the assets of the Bank ; and secondly, as the fact represented to them, that the directors had agreed to hold their shares, tended

to show their own confidence in the undertaking, and therefore to afford some excuse to the directors, in intention, at least, in the course they had pursued. On opening this inquiry, however, Mr. Dobree and Mr. Prescott discovered, that, while some of the directors were large shareholders, others had sold the greater portion of their shares ; and that others had been buying and selling upon a scale which appeared too nearly to approach jobbing in the shares of the company. The worst feature of the case was, that while the directors had bought in their own names, and added, by the credit of their station, to the value of shares in the market, sales had been made in the names of third parties, and shares had been transferred to purchasers in the names of persons who were for that purpose merely fictitious, not having the shares in their names ; and these shares, purporting to be transferred by strangers, were written from the accounts of directors ; thus falsifying the transfer book, falsifying the titles of purchasers, and deceiving the public. In following this inquiry, it appeared that 1,120 shares, placed in the names of the directors, were carried to the private ledger, the same book in which part of the enormous advances to the directors had been entered and kept from view. Mr. Dobree and Mr. Prescott, therefore, required to see that book ; and not only has that been refused, but you have closed the investigation into the share account of the directors. It appears to

Mr. Dobree and Mr. Prescott, that the existence of the shares of the directors is most material, as part of the assets of the company ; that the accounts in the private ledger are necessary for the elucidation of this and other matters of this enquiry, and they consider the withholding them a breach of the engagement with the Bank of England. In this opinion I entirely concur. Upon the mere verbal construction, I am of opinion that the inquiry must be permitted, and that the particulars called for are strictly within the terms of the agreement ; but this transaction cannot be allowed to stand upon so narrow a basis. The Bank of England have come forward upon public grounds to support an institution of such magnitude, that its failure, otherwise inevitable, must have been a public mischief; and they were compelled to do this upon such an emergency as not to allow of a previous investigation ; but I insist on their right to every such information as a person in embarrassment must give to the person applied to for assistance, a full statement of the present situation and prospects of the company ; and these can only be ascertained by an unrestricted enquiry into the past transactions of the company. And to avoid any misunderstanding, I think it right to state that I consider the production of the private ledger as now indispensable. It is a mere misapprehension of terms to treat such books as confidential ; the private books of a trader or trading company are private from clerks ; but it is to such

books that reference must be made for the real state of the assets and profits of the company ; and in this particular case the book is now known to contain the accounts of very large debts due to the company, which it is necessary and proper to investigate."

The following is an exact copy of the reply from the Chairman of the Northern and Central Bank.

" Mr. Moult has received your letter, dated 31st December, and sent for Mr. Brailey last night, but found him confined to bed. I am most anxious to have every circumstance fully set forth for the satisfaction of Mr. Prescott and Mr. Dobree, and shall convene an early meeting to-morrow, (Monday) for to take into consideration your communication, and will forward without loss of time an answer.

" Broughton, 4 o'clock, 1st January, 1837."

The private ledger was at last placed in the hands of the representatives of the Bank of England, and a discrepancy was discovered between the account tendered on the 17th of December, and that in the priyate ledger, by which the directors were indebted £90,000 more than had been represented.

Various circumstances were found out which prove the responsibility of a company unless great care be taken to choose a direction well disciplined to their task. One director alone owed £70,000. In two months the board of managers had distributed among themselves 4465 shares at £1 premium, when they were selling in the market at £3 premium. Besides

these £3465 were divided at a lower rate, also for their own benefit. "Some may be more deeply implicated," says the confidential report to the House of Commons, "but justice requires that the case of Mr. Stell should be especially noticed. That gentleman had a large banking account with the company, and the directors invited him at the latter end of the year 1835 to take a seat in the direction, to which he assented. Mr. Stell was already a proprietor of 1400 shares, for which he had paid, but the directors proposed to give him an additional thousand shares at the premium of £3 per share, and consented, on his paying the premium, to allow the £10,000 to remain at his debit for two years certain, and a third year, if he required it, charging interest thereon at the rate of £4 per cent. per annum. Mr. Stell, in fact, paid £3000 for premium; and these shares were allotted to him on the day, and no doubt at the same board, when the directors apportioned to themselves 1000 shares at £1 per share premiums." A further instance was that of Mr. John Ferneley of Manchester, who declined receiving an appropriation of shares, although they were selling at £5 and £6 premium in the market, and when it was pressed upon him, he, to avoid a collision, sold them, and sent the proceeds to the chairman of the Bank.

Another circumstance was brought to light, evincing the necessity of care in accepting dividends, unless it can be clearly proved that they arise from the legiti-

mate profits of the company. For the year ending December, 1835, an interest of 7 per cent. was declared. The actual business profits of the company being insufficient to sanction this division, the directors provided for the deficiency by assuming a profit on unsold shares. The company was originally to consist of £100,000 shares ; of these 29,104 remained unappropriated, and the expedient, which certainly merits praise for its ingenuity, was resorted to, of imagining them to be sold at £1 premium, thus producing a fictitious sum of £29,104 to assist in paying the dividend of 7 per cent. These circumstances, combined, induced Mr. Dobree and Mr. Prescott to request that a committee of inspection, unconnected with the recent administration of the company, should be associated for the investigation of the affairs of the bank.

So liberally, however, had the shareholders been used, that a doubt was expressed whether it would be possible to find four of them who were not indebted to the company. The difficulty was overcome ; and the Bank of England having secured its interests by entering judgment for one million, which would enable them, in the event of necessity, to come upon the proprietors of the Northern and Central Bank, left the immediate management of the affairs to this newly-formed committee. At the meeting which took place on this occasion, Mr. Freshfield explained the accounts as he had found them ; Mr. Moult remarked

it was "an exceedingly fair statement;" Mr. Brailey also added "the statement is a fair one;" and both these gentlemen expressed their obligations to the directors of the Bank of England for the pains they had taken; Mr. Moult adding, he was surprised at the temper and forbearance they had manifested through the investigation.

Among the joint stock banks which had been established through the declaratory clause, in the act of 1833, the London and Westminster occupies a conspicuous place; and on the 5th of April, 1837, an important opinion was given by Lord Langdale, in the Rolls' court. The question which was left for his lordship to decide, was the right of this establishment legally to accept bills of exchange, payable at a less date than six months. It appeared that the St. Alban's bank had drawn a bill on the London and Westminster for £25, at twenty one days date, which bill was duly accepted by order of the directors of the latter. The Bank of England considered that the acceptance of a bill of less date than six months, by any banking establishment containing more than six partners, and within sixty-five miles of London, was a violation of the principles of their charter. Lord Langdale was of the same opinion, and decreed that an injunction should be issued restraining the London and Westminster bank from accepting at a less date than six months.

The commercial discredit at the end of 1836 and

beginning of 1837, arising from the panic which followed the excitement of the former year, was productive of renewed assistance on the part of the Bank of England. Some private banking houses claimed and received gold to a large amount, on the representation that if aid should not be afforded, the most disastrous consequences must ensue. One banking house, that of Esdaile and Co., stopped payment. Great anxiety was evinced throughout the city. Fears were entertained lest a run should commence on others. It was agreed, therefore, that each of the London bankers should pay £5000, in order to prevent a catastrophe which might have become generally ruinous. By this policy the city was preserved from distrust, and the creditors of Messrs. Esdaile received all their demands in full.

From the beginning of 1837 doubts had been entertained that "the resources of the principal houses in the American trade, vast as those resources were known to be, would not be sufficiently adequate to meet the enormous extent of their engagements." By February and March their difficulties had excited great attention; and it became doubtful to what extent their necessities would require assistance, and, until this doubt was expelled, great concern was felt in all monetary circles. The bullion left the Bank coffers; and by the 7th of February it had fallen to £4,032,000. In this month the emergencies of the great American houses were notorious; and it after-

wards became known that they had applied for and received assistance from the Bank of England. It was soon ascertained that a sufficient amount had not been granted to save them from falling; and in May, 1837, they again applied for help. On an investigation of the offered securities which were found inadequate, after a long and anxious deliberation, the directors came to the conclusion of refusing the request. The ramifications of these houses were so extensive, that it was evident great mischief must ensue from their destruction. On the first of June, 1837, the day on which the appeal was finally rejected, three great American firms announced a suspension of payments. For a week there was a great distrust, if not an absolute panic, as the houses alluded to were under acceptances, at the time of their failure, to more than five millions. By the absence, however, of much doubtful paper, the circulation became sounder; and, assisted by advances from the Bank, to the amount of £6,000,000, the trade of the country revived. The years 1838 and 1839 witnessed a repetition of similar scenes. In nine months 3,300,000 quarters of grain were entered for home consumption. The large payments for foreign corn had depressed the exchanges, and the country was embarrassed still further by its financial relations with the United States. American securities had been over-imported, and there was a continued drain upon the bullion of the Bank of England, which was re-

duced from £7,073,000 in April, 1839, to £2,522,000, at which it stood in the following October. On the 16th of May an effort was made to stop this progressive drain by raising the discount to five per cent. On the 20th of June it was again increased to five-and-a-half, with the further announcement that money would only be advanced on bills of Exchange. Still the drain went on ; and on the 13th of July, a notice was issued that the Bank would receive proposals for the purchase of the dead weight, either in money or stock. The attempt failed, as the price offered did not reach its estimated value. “They then,” said Mr. Norman, “pledged a portion, and obtained credits in foreign countries upon it ; which they made use of to the amount of about two millions and a-half. They also borrowed £750,000 in Exchequer bills from the East India Company, on the same security, a portion of which they made use of.” The drain for bullion ceased about October. “I have no doubt,” says the same authority, and it must be received with the respect due to a thorough comprehension of the subject, “that the foreign credit operated materially : it tended to restrict the circulation here, and it also furnished means of foreign payment.”

The operation to which allusion is made, of “credits in foreign countries,” was not unprecedented in the history of the Bank, having previously been resorted to in 1832 and 1836. An idea generally prevailed that the English Corporation had been compelled to bor-

row bullion from its less opulent neighbour, but this was a misconception. The following, from "The Times," is a correct account :

"In July, 1839, the bullion in the Bank of England had fallen below three millions sterling, while its rate of discount was as high as $5\frac{1}{2}$ per cent. It was evident that the causes for the existing drain consisted more in distrust abroad, founded on the belief that the Bank of England could not long continue specie payments, than in an unsavourable balance of trade, or a run for sovereigns to hoard at home. Parties on the continent drew out all their balances here, and as much more as their correspondents would give them credit for, discounted the acceptances in London, and, in the absence of foreign bills, took gold from the Bank of England. Under these circumstances it was impossible that exports of produce and manufactures from England could take place immediately to a sufficient extent to counteract the evil; but it was seen that the difficulty would be met, if a temporary creation of bills on the Continent could be effected. With this view the Bank of England engaged to transfer English securities, as a guarantee, to Messrs. Baring, Brothers and Co., or those whom they should name, and this house engaged to draw three months' bills for forty millions of francs, on various houses in Paris. These bills, which Baring, Brothers, and Co. negotiated on 'change, paying the proceeds into the Bank, so as gradually to act upon the circulation, fully supplied

the trade demand for remittances hence, and equally served to meet all paper in England remitted here for returns, as they proved a better return than gold. At the end of three months, when the acceptances fell due, the same amount was re-drawn, so as to cover each acceptor by bills on his neighbour, thus prolonging the operation to six months ; but before the expiration of this period, the supply of the regular remittances of commerce had been such as to enable Messrs. Baring to liquidate all the engagements in Paris, and to restore the pledged securities to the Bank of England. From this statement the Bank of France will appear to have had nothing to do with the operation ; but a mode by which they facilitated its progress, and which doubtless gave rise to the erroneous suppositions which have since been entertained on the subject, remains to be mentioned. The draughts drawn by Baring on the various French houses were, of course, liable to be presented for discount to the Bank of France ; and as these firms respectively only had credit to a certain limit with that institution, there was a possibility that their rejection might become necessary, owing to such limits being exceeded. This difficulty was calculated to produce an injurious effect ; and application was therefore made to the Bank of France, in order that it might be overcome. An understanding was accordingly entered into by the Bank of France, that the draughts, in case they should make their appearance, should be

discounted, without regard to the limits in question. This precautionary arrangement, however, proved to have been scarcely essential, for the draughts being of the first character, and the rate of discount at the Bank of France being somewhat higher than the market rate, they were readily discounted out of doors ; and hence it is believed that but a very small proportion found their way into that establishment.”

The lowest sum to which the bullion was reduced was £2,300,000 ; but from this amount the re-action took place, and the monetary affairs of the Bank were restored to their ordinary footing ; and when, in 1839, the Bank of the United States of America applied for that assistance which was required through pressure and difficulty, they were enabled to offer £300,000, which, however, being deemed insufficient, was rejected by the latter.

Mr. Palmer attributed the drain of bullion to three causes. “ The first I take to have been the very large amount of American securities that was sold, or for which credit had been given in 1838, and to February, 1839, which increased considerably the amount of bills upon London, in the continental markets ; the second cause I attribute to the unprecedented extent of the purchase of foreign corn, in almost every continental port, towards the close of 1838, and almost through the whole of 1839 ; and the third cause, from the doubt existing on the continent, after May and June, 1839, of the ability of the Bank to

maintain specie payment, the consequence of such apprehension having been the transmission of all long dated bills upon this country for immediate discount, and return of their values, and the withdrawal of monies to a considerable amount, deposited in this country for foreign account."

The difficulties environing the market of America affected the Bank, which had claims on the United States to a considerable amount. Bills drawn on firms there had been discounted by the Bank for the houses in England ; and on the inability of the latter to meet them, the Bank fell back upon the American firms. Representations were made by well informed persons that an exportation of gold to the United States would hasten the restoration of credit ; that great benefits would arise, and that the ordinary commercial intercourse between the two countries would be restored. To these representations the Bank yielded ; and at the commencement of 1838 the directors forwarded one million sovereigns to America. The importance of their transactions with this country may be gathered from the fact that two gentlemen were confidentially employed by them to visit America, on the important question of representing their interests, and assisting them in procuring an adjustment of their accounts.

The use of Bank notes, independently of their legitimate value, appears to be incalculable. It has been seen that they may be pasted on a village case-

ment in company with a ballad, to keep out the wind; and that an Algerine slave may make them the medium of communication with his friends in the north. But the most extraordinary power to which they have been placed is to be found in what our authority calls "manifolding." A person carrying on a somewhat extensive business in the provinces, being in want of cash, and in possession of a £50 note, came to the resolution of cutting it in two. With one part he went to a monied acquaintance, told him he had just received it by post, and that the other would follow in a day or two, and it would be a great convenience if his friend could advance him cash to the amount on its security. The person to whom he applied consented to the request. Having been thus successful with one half he determined to try the other; with it he proved equally fortunate, and thus his £50 note procured him £100. The game was too profitable to be given up at once, so he went to a banker and demanded a £100 note with the cash he had received. Again he had recourse to the process of cutting, again he victimized two acquaintances, and thus procured £200 for his £50. With the money thus acquired he departed, satisfied with having gained £150 thus easily.

In 1836, in consequence of the failure of several East India houses, and the discredit which was generally felt, a resolution was passed authorizing the issue of bills of the Bank of England, payable at sixty days' sight, for circulation in India.

CHAPTER VI.

EXCHEQUER BILL FORGERIES—NEW DISCOVERY—LEGAL DECISION
—INTERNAL ALTERATION IN THE CIRCULATION AND NATIONAL
DEBT DEPARTMENT—GREAT CONTINENTAL CONSPIRACY—ITS
DEVELOPEMENT AND DISCOVERY—FATE OF THE PERPETRATORS
—TRIBUTE TO THE “TIMES.”

IN the month of October 1841, the members of the Stock Exchange were startled with the rumour of a series of forgeries, the ramifications of which were said to be so wide that no person could tell to what extent they had penetrated. It was stated that a large proportion of the Exchequer bills then in the market were forged. Great alarm spread throughout the holders of these securities. No one knew how far he might be involved, and there was no mode of testing their authenticity. The report continued to increase; and the public were made aware of a fraud, so great, that it jeopardized the prosperity of many first-rate houses, and so dishonourable, that it is difficult to find an excuse for one who had possessed the confidence of his superiors for twenty-eight years, and who, by his ne-

farious transactions, disgraced alike himself and his connexions. The Bank of England was deeply interested in the question, as Exchequer bills formed a deposit on which they frequently advanced money. The species of bill chosen was the supply bill, issued under the authority of various acts of parliament, and either paid off or exchanged, according to the option of the holder, after the expiration of a year. They pass with as much facility as bank notes, and are, from many circumstances, a favourite investment. In 1841, Mr. David Haes, a member of the Stock Exchange, was requested to lend money on Exchequer bills; but the interest offered of six per cent. seemed so strange to this gentleman, who had lent £20,000 at four per cent., that his suspicions were aroused, and he immediately entered into a communication with the Chancellor of the Exchequer. To those who are uninitiated in the mode of transacting business at the Stock Exchange, the following evidence of Mr. Haes will prove both novel and interesting:—"I had been," said this gentleman, "in the habit of lending money on foreign stock, but thought it imprudent to continue; and that I would take it out of the foreign market and lend it on English security. I lent £20,000 on Exchequer bills at four per cent. I was walking up Broad Street about ten or eleven o'clock on Tuesday morning, with a friend, when a person crossed over the way to me, and said, 'You are the man I want; will you lend me more money on Ex-

chequer bills ?' I said, 'Yes, I will ; it depends upon the amount, the interest, and the time.' He says, 'The interest is six per cent, for three months ; you may have £10,000 worth.' I thought that very good interest, certainly. But he parted with a man on the opposite side of the way. I, at that time, did not consider him a man likely to have the bills in any way at all. He said, 'You can have ten or you can have twenty.' I am not sure whether it was not more. He said, 'We will take the money from to-morrow, but begin the interest from to-day.' The amount of interest I do not care for at all, but we are not in the habit in the city of giving up a day's interest ; and I said to the person with me, 'Here is something smoky ;' and said to the man who offered me the bills. 'Do not consider anything binding in what I have done with you.' I went to the Stock Exchange, and said to the man to whom I had been lending on Exchequer bills, 'This is a pretty joke ; I lend you money at four per cent. on Exchequer bills, and go out and get an offer at six !' 'Oh !' said he, 'you may let me have mine back ; but I will refer you to another man.' I communicated with that other man, and he told me I had better go over to a banker's in Lombard Street and ascertain the fact. I went there, and combining all the circumstances in my mind, it struck me there was some robbery, and I made up my mind and sat down, and wrote to the Chancellor of the Exchequer. The whole did not occupy me twenty minutes." This

important letter, through which the transactions to be related were brought to light, requested a few minutes conversation, on the plea that the importance of the writer's communication as to what was going on in the Exchequer bill market, was such, that he was led to consider the Chancellor would not think his time lost if he devoted it to this communication." On the following morning an interview was granted, and Mr. Haes detailed the transaction, mentioning that the doubts of Mr. John Francis Maubert had been awakened on a previous occasion. This gentleman also had a meeting with Mr. Goulburn, who was informed by him that in November, 1839, he had been paid seven per cent. on Exchequer bills, when the market rate of interest was only six and a half per cent.; that as he considered the circumstance remarkable, he had declined any further transactions with the same party, and the event was only recalled to his mind when the decision and promptitude of Mr. Haes had brought the affair to light. So searching was the enquiry immediately instituted, and so easy of detection was the fraud, when suspicion was aroused, that by the 25th of the month, Edward Beaumont Smith, chief clerk in the issuing office of the Exchequer, was taken into custody. "Availing himself of his official capacity," said the Chancellor, "the offender has taken the bills from the office in which he served, in order to forge the name, whose signature, they were bound by law to bear." In every other particular they were genuine

Exchequer bills, and there was therefore no difficulty in procuring money on them. But a confederate was necessary ; and confederates in crime are rarely wanting when wealth is to be attained. Ernest Rapallo and Angelo Solari, foreigners long resident in England, were the agents employed. It was only advisable to raise money on these bills in the way of loans, as if they should obtain a general circulation, it was possible that duplicates might pass into the hands of the same party, whose doubts would be aroused ; and it was certain, were this danger even avoided, that at the regular periods of paying off or exchanging them, a discovery must inevitably be made.

For five years did Edward Beaumont Smith, Ernest Rapallo, and Angelo Solari, confederate to employ the vast power lodged in the hands of the first in defrauding the public. By introductions to brokers and bankers, by plausible assertions that there were friends, great capitalists who were advancing money, and last, not least, by the offer of the higher rate of interest than that of the market, did these men succeed in their designs. Upwards of £800,000 were thus procured ; and as another proof that money wrongfully gained is easily lost, they paid upon the stock and share markets large differences with their dishonest gains ; in all probability flattering themselves that, by some fortunate hit, their liabilities would be paid and their fortunes secured.

It was invariably stipulated that the very bills

which were pledged should be returned when the money was repaid, or on other Exchequer bills being given. But this was not unusual ; it being a recognised principle on the Stock Exchange that the borrower had a right to demand a restoration of the same documents which he had advanced. On one occasion some of them got into the market, and when the time expired, the same bills were not of course forthcoming. As soon as the discovery was made that eleven of the papers returned were not those which had been lent, great anxiety was evinced, and after much trouble they were procured, at an expense of £50. It appears strange that these combined facts did not lead to detection. The fears of the money-lenders were, perhaps, allayed, by a high rate of interest, and probably many shut their eyes, if not wilfully, yet with that obstinate resistance to truth, so frequently shown under circumstances which promise large profits. It has been seen that Mr. Maubert had some doubts about the fairness of the transaction in which he had been engaged, and the small difference of $\frac{1}{2}$ per cent. justified him in remaining quiet ; but immediately the crime became public, a hundred incidents could be remembered by others ; and a hundred communications made to the Chancellor of the Exchequer, either one of which, sent at the proper time, would, in all probability, have led to the immediate discovery of the fraud. The Duke of Wellington positively asserted, that though there were many

innocent sufferers, yet a great number of the holders of the fraudulent Exchequer bills were believed to have a knowledge that they had been issued under fraudulent circumstances.

The great alarm of the possessors of these securities may be conceived ; and it was doubtful in what light government would regard many of them, as it was understood that the caution used, with the amount of the interest received, would be taken into consideration, lest those who had wilfully closed their eyes to the deception should be rewarded. A committee of the House of Commons was appointed, who delivered their report, and the result was a commission to enquire into the whole transaction. During this period, the owners were utterly ignorant as to the treatment they would receive. Their claims were strongly supported by the press ; and the report of the committee was important, as it proved that an enormous power had been vested in the hands of the defaulter. “ The sole direction of the quantity of paper to be manufactured,” said this document, “ of the plates to be engraved, and the custody of the moulds, plates, and of the paper unprinted and printed, of the press, seal, and counterfoils, as well as the entire preparation of the Exchequer bills, were entrusted to the uncontrolled discretion and integrity of the senior clerk of the department in which the bills were prepared, and, during the absence of his assistant clerk, unchecked by any regular examination of the

stores or of the tradesmen's bills." This extraordinary power was commented on by the press. "If government had secured the Exchequer seal by placing it in proper custody, and providing for its use only in the case of certain authorized persons, it would have been impossible for any single Exchequer clerk, year after year, to issue hundreds of forged bills properly stamped."

The Bank of England were deeply interested. On the 21st. of September, they had advanced to Mr. Tomkins £11,000, for one month, on the security of certain documents, purporting to be Exchequer bills. The money had been lent upon condition that if they were not redeemed at the expiration of the time, the Bank should be at liberty to dispose of them and pay themselves, with interest. At the proper period, Mr. Tomkins redeemed three, but being unable to take up the remainder, they were sent into the market, and pronounced spurious. An action was brought against Mr. Tomkins by the Bank of England to recover the amount, and a verdict given in their favour.

The arrangement by which government met the views of the holders of the Exchequer bills was considered fair and equitable. In February, 1842 it was announced that of the £377,000 in circulation at the time of the discovery, £262,000 would be paid. The cases were divided into four classes, distinguishing the various degrees of care which had

been evinced by each. Great endeavours were made to procure a remission of Smith's sentence, but the efforts were vain, and the punishment of transportation was awarded to the offender, who, with his accomplices, had received altogether to the amount of £885,000.

The long period during which these forgeries remained undiscovered speaks loudly for the inefficiency of government arrangements. Against a combination of treacherous men it is almost impossible to guard, but the public have a right to demand that at least there shall be some mode of quickly detecting, even if it be impracticable utterly to prevent fraud.

The internal alterations of the Bank, which commenced in 1839 and lasted until 1845, claim a calm, unbiassed statement. While in the secretary's office, where he had been since 1837. Mr. William Ray Smee was employed to draw up some important documents for the governor, a task that was performed greatly to the satisfaction of the latter. It occurred to Mr. Smee that a proposal to simplify the working of the Dividend Warrant, and the Cheque offices, the latter of which was so termed, from its operating as a check on the payment of the national debt, might be favourably received, and, that he might compromise no one save himself in the event of failure, he handed his proposition to the governor without acquainting the chief accountant. By the proposed alteration he stated that the work of

the Cheque office, employing three principals and twenty-one clerks, would be accomplished more effectually with two principals and seven clerks. The project was approved, a Committee of Directors appointed to enquire into its merits, and after an anxious investigation, the more so as it emanated from a young man whose financial abilities were not then generally known, the proposition was adopted, and the scheme carried out. This important check on the payment of the national debt, with all the intricacies involved in 600,000 warrants, being successful, Mr. Smee immediately presented to the governor another plan for remodelling the whole circulation department of the Bank. The importance and perfection of the project may be understood from the fact that after it had been approved by the committee although it was re-considered, then sent to another committee, then altered, and again re-altered, the original plan, after several months' close and careful enquiry, was ordered to be carried into execution.

The scheme was simple. It was, however, interesting to the public, as, on the day of its adoption, the Bank ceased to re-issue its notes. By the old system, the numbers, amounts, and dates of the latter were copied into books, in the order in which they were received. The amounts were then added, and the notes posted in a ledger, that they might be referred to for the courts of law and the public, in cases on

fraud or litigation. These postings were afterwards examined from a copy of the cash books, in which the notes were entered, giving the balance of each ledger. The new system abolishes the entry in the cash books, and stamps every note on its entrance, with a number which gives the full particulars of the parties who send it in. The notes are then arranged numerically, thereby saving the copying of the date and number, except the last two or three figures, and altogether saving the entry of the amount ; while the posting, which before took fifty, now employs eight clerks. As the circulation is nearly numerically doubled, it is impossible to say what amount is saved to the public, but, judging from the number stated to be employed by the report of the committee of the House of Commons, it is probable that the old plan could not be reverted to under eighty extra assistants.

On the day of its commencement one hundred and twenty clerks were employed. From the novelty of the various operations, the balance, the great proof of success, was not arrived at till near eight o'clock. On the second day of its trial, the same result was arrived at by five o'clock. On the third it was tried by three o'clock, but without the same success, being 5£ deficient. Every plan that could be imagined was tried to discover the supposed error. For seven hours were the clerks of the department employed in examining and re-examining the books. For seven hours were they detained investigating and re-investi-

gating the notes, of which the books were a copy ; and it was curious to witness a young man of three-and-twenty, with unchangeable confidence in the soundness of his system, directing or attempting all those experiments which a perfect knowledge of the accounts suggested as most likely to discover the presumed error. At ten o'clock the search was given up ; and the ruin of the new system seemed complete. The information spread rapidly that the office had separated without a balance ; and it could have been no pleasant task to Mr. Smee to meet the governor on the following morning with the news. The confidence of the latter was, however, complete ; the plan went on ; a mode of detection was adopted ; and it is to be presumed that the dread of discovery produced the note, as the balance, a few days afterwards, was £5 over, and the very note which had been proved to be missing was found to have been returned.

A change in the working of the circulation department had long been considered desirable. Mr. Mellish, one of the directors, and member for Middlesex, took considerable interest in the accomplishment of an alteration ; and on one occasion there is a tradition that, being desirous to ascertain the real nature of the duty, he announced his determination to the principal of the accountant's office, to come and attempt a day's work. The morning arrived, and with it Mr. Mellish. The day was a heavy one ; the business was new ; and the books were brought him with all the gravity

suitable to the occasion, and perhaps more frequently than was absolutely necessary. They came too fast for him. In vain he exerted himself with all the energy of which he was capable; there was to him a difficulty in finding the proper folios; that which clerks, accustomed to the operation, performed almost intuitively, was a great exertion to a novice, and, long before the day had passed, Mr. Mellish beheld such an accumulation of ponderous tomes, both before and behind him, that he gave up the attempt in despair, and from this period an alteration was made in the amount of labour, which was perhaps more in proportion to the clerks' views of propriety than before. The same gentleman—and these things, trifling in themselves, are an evidence of the desire of the direction to improve the economy of the establishment—saw the principal of the office in which he had worked in the area of the Royal Exchange. Immediately accosting that gentleman, he earnestly addressed him on the subject of the proposed alteration, and seizing the button of his coat, pulled at it with the same energy with which he was talking, nor was it until the button was divorced from the coat that the individual whom the director held captive was enabled to make his escape.*

* Mr. Mellish may almost be said to have died in the service of the Corporation. On the night of the fire of the Royal Exchange, although but recently recovered from an attack of gout, he came down to the Bank, the thermometer standing about ten degrees below freezing point, saw everything done to secure its safety, and died from his

From the above period various alterations occupied the attention of Mr. Smee, till the spring of 1842, when a committee was appointed. They reported the triumphant success of the plan, and it has been in working ever since. In the following week, the same gentleman proposed another alteration in the circulation department, by which the whole of the post-bill office was successfully remodelled. Mr. William Ray Smee's influence was now doubled; and the next step which he took was the first movement in the alteration of the national debt department, by which the posting in the dividend office was abolished. Success produced confidence; and the proposition which followed for an entire alteration in the management of the national debt, almost involved in its failure or success the payment of the dividends at the appointed time to the public creditor. Looking calmly back on the magnitude of this transaction, it appears singular to reflect on the confidence reposed in Mr. Smee. It is impossible to magnify the greatness of the operation, for the balance of 600,000 accounts was to be procured by it, and it is impossible to deal with anything more extensive than the national debt of England. The confidence was, however, absolute; and success justified the confidence.

exertions. Perhaps no man would have been more pleased with these alterations than Mr. Mellish had he lived to have witnessed them. But singular enough, it was stated at the time, that the greatest difficulty Mr. Smee had to surmount was, that Mr. Mellish had proposed several years before an alteration with a similar object, and had abandoned it.

The Bank—like other large establishments—is an epitome of the world. Men are contented to abide by their old institutions, and deprecate change as evil. It was very natural that those who had followed one particular plan for thirty or forty years should be prejudiced in its favour. This plan, by a high and competent authority,* had been pronounced perfect in all its detail ; and a proposal to alter perfection must have sounded to those gentlemen something like presumption. It was natural enough for those who knew the working of the old system, to think that a new plan must fail ; to be slow in recognizing its advantages, and to apprehend a want of safety in various departments which had hitherto been regarded as perfect. It is hardly too much to say that the proposer was deemed arrogant by some, and that it was firmly believed by others, that he would not succeed in procuring the requisite balances. To enter into a description of the new, would be useless without doing the same with the old arrangements ; but their importance may be gathered from the fact that the dividend books, from which the public creditor receives his interest, are now commenced a week earlier than before, while, during the remainder of the time that the books are closed for transfer, certain operations are rendered less laborious, and the officers have less to do than heretofore. The task was difficult. Involving as it did the most important

* Mr. Higham, Controller of the National Debt Office.

operations of the Bank, with consequences to the Corporation no less than to the projector in the event of failure, it is probable that both the governor and chief accountant experienced great anxiety during its progress. Mr. Smee himself, with a most remarkable confidence, never shaken by any apparent difficulty, went through it with unswerving decision. But the labour was not trifling. To initiate those in a new, who had grown grey in the practice of an old system—to explain the intricacies of a fresh plan to those who would have preferred proceeding in the good old path, and who, at first, unavoidably confused the one with the other—to find out errors which had occurred through ignorance of the detail, and which required a complete knowledge of it to detect—appeared to require an older head than his who now attempted it, and who pursued his task with a most unalterable faith in the excellence of his scheme. The plan was successful; the balance was obtained; and a most important result, far greater than any pecuniary consideration, was arrived at. The directors were enabled so far to consult the accommodation of the public, as to enable the transfers in the various offices to be made eight or nine days later than usual, the business which formerly occupied about thirty-two days being accomplished in about twenty-three. That this is a most important result, and that it would be found highly beneficial during monetary crises, may be gathered from the fact

already given, that during the panic of 1825, when the demand for money was so extensive, upwards of one hundred transfers were daily made, as a favour and after much trouble, by those whose necessities compelled them to sell stock.

The importance to the banker and the merchant can scarcely be overrated, as there must ever arise periods of pecuniary difficulty when the advantage of having a command over money in the funds is almost incalculable.*

It is possible that these pages may be perused by parties engaged in similar attempts in other establishments. Let them not imagine that these alterations in the economy of the Bank of England were effected with the ease with which they have been related. Let them remember that great operations are liable to great difficulties ; that they may have to contend with the power of the strong, and the jealousy of the weak ; that in some there may be the pretension which promises much, but produces nothing ; while the capacity of others may be only employed in condemning that which they cannot improve. To alter the system of a century is no trivial task ; to carry those alterations into effect requires no ordinary mind ; and with all the appurtenances of power, resolution of no common nature is demanded. The abuses with which

* There is no cause, under the new arrangements of Mr. Smee, to prevent the stocks from remaining open throughout the year. An abolition of the shuttings would be received with acclamations by the monied world. The Bank could not effect a more popular or more beneficial change.

we are familiar are sanctioned by time, or appear so woven into the fabric, that in destroying the one we seem to tear down the other ; and whatever the change, there are always so many antagonistic interests, and so many important considerations, that, to adopt the words which an Edinburgh reviewer applied to Sir Samuel Romilly, he who would alter must in all probability “ share the fate of all propounders of change in any institution : be derided by some, and by others be regarded as the advocate of a desperate cause.”

Various efforts were made in 1843 to procure a salutary relaxation of the labours of clerks in banking establishments, although without success, as the attempts made by benevolent persons to procure an additional hour have hitherto failed. The argument was adduced that other classes worked longer than clerks ; and this obtained favour with those who were against the movement. In May, 1843, the Bank of England, in compliance with a request of the members of the Stock Exchange, gave notice that no transfers would be allowed after one o'clock on Saturdays, and that the future public days would be Tuesday, Wednesday, Thursday, and Friday, for all the stocks. In the same year the light sovereigns were called in, and much uneasiness occasioned to the poorer classes. The Bank received only large quantities ; the poor man, therefore, was left to the mercy of the small tradesman. Sixpence, and occasionally

a shilling was demanded, and the holder could only complain and comply.

Every arrangement was made by the directors to forward the business ; but in this, as in other instances, much dissatisfaction was evinced. Those who were compelled to apply were sometimes obliged to wait, and their detention generally gave birth to a letter in the daily papers, about loss of time, bad arrangements, with unfair complaints against the clerks. There is no public establishment in which so much accommodation is afforded to the public, or where such attention is shewn ; and there is no place against which so many unjust charges are brought. They generally emanate from the small holders of stock, who fancy that the privilege of receiving their dividends twice a year is to be accompanied by a deference, an obsequiousness, and a promptitude, which the monied man or the banker never think of claiming.

The total amount of light coin received from the 11th of June to the 28th of July was £4,285,837, and $2\frac{3}{4}$ d. was the loss on each, taking an average of 35,000. The large sum of £1400, in one pound notes, was paid into the Bank this year. They had probably been the hoard of some eccentric person who evinced his attachment to the obsolete paper at the expense of his interest. A few years afterwards a £20 note came in which had been outstanding for about a century and a quarter, and the loss of interest on which amounted to some thousands.

It is now the province of the writer to relate one of those occurrences which occasionally interest the somewhat uneventful hours of a commercial community. The union of rank, talent, and accomplishment, with fraud, dishonour, and dishonesty, forms, in the present instance, a relation sufficiently interesting to pass an hour by the winter fire-side, and sufficiently striking to demand the attention of the monetary man, and the notice of the observer of human nature.

Florence, the beautiful capital of the grand duchy of Tuscany, is, both from its natural advantages, and its acquisitions in art, the chosen residence of many members belonging to the most aristocratic families from every country in Europe. Some reside from choice, others from necessity. Some are of unimpeachable honour, others are of broken fortunes and questionable reputation. None were more remarkable, from a combination of the latter, than the Marquis de Bourbel, whose family was, according to his own showing, as old as the "rocks of Provence," and Cunningham Graham of Gartmore, whose name is a sufficient description of his country. Although there might be a little gasconade in M. de Bourbel's description of his race, there is little doubt that he was of an ancient stock, which could be traced back to the *gentillard*, or small gentlemen of Normandy, a rank somewhat analagous to the better class of English yeomanry. The Marquis, whose immediate ancestor is said to have filled some subordinate

situation under the Governor-general of India, entered life with no ordinary advantages. While young he became attached to the French embassy in Portugal, and afterwards at Copenhagen. From such situations many men of less capacity have risen to wealth and honour. This was not the fortune of the Marquis de Bourbel, who, from some cause or another, sank to the unenviable reputation of a gambler, duellist, and roué. His accomplishments were varied. A great linguist, a good draughtsman, a fine equestrian, and a skilful fencer; he rode, fought, and fenced, until he became a member of the secret French police, a degradation sufficiently accounted for when it is added that he was universally regarded as a thoroughly *mauvais sujet*. He appears, indeed, to have been one of those specious agreeable persons whom good men pity, and with whom bad men associate. His wife, an English-woman, who, with her fortune, had been caught by the showy exterior of the Marquis, died broken hearted, shortly after his elopement from her with her maid, or with an opera dancer, history is uncertain as to which. But even the laxity of the Italian morals found the Frenchman too bad for it, and he was compelled in some measure to submit to public opinion, by retiring to a country-house near Leghorn, on the road to Florence.

The seclusion of the Villa Micali, the name of the place to which De Bourbel retreated, was often enlivened by the visits of the remarkable man who

has been already named, Cunningham Graham, of Gartmore, in Scotland. The bad pre-eminence of the Norman was rivalled by the cool craft and unprincipled design of the Scot. A large estate which had devolved to him he had squandered ; the fair fame of his ancestors he had disgraced ; the honourable name which had descended with his estates he had tarnished ; and, in 1828, he was compelled to leave Scotland to avoid his creditors, in an exile which ultimately brought him to Florence, and made these two dangerous men acquainted. Graham, like his friend, was a person of considerable accomplishments. There was, moreover, a refinement and taste in him which was absent in his companion. Although he possessed a love for the fine arts, it was in the more imitative and mechanical ones that he excelled. With a turning lathe he formed tools ; and possessed sufficient skill to work on rare engravings of Rafael Morghen, and the *chef d'œuvres* of Domenichino and Guido Reni, which he traced with singular success.

Such were the two men who sought each other's society at the Villa Micali, and who first brooded over the artful and daring fraud that sought for its victims all the great European bankers, and which, in its unparalleled boldness and cupidity, looked to the gain of a million sterling as its reward. The idea was worthy the crafty brains from which it emanated ; and in order to carry the gigantic crime into execution it was proposed to forge those “lettres circu-

laires" (better known in England as letters of credit,) which are obtained from the principal bankers, for payment by their foreign correspondents.

These letters, which are issued for sums varying from £100 to £10,000, are very much alike, and are all engraved in black with blank spaces for the amount, the name of the bearer, and the banker's signature. The great credit and immense business of the house of Glyn and Co. made them fixed upon as unwilling assistants in this bad transaction. On the letters used by this firm their initials are stamped. Below them is the blank space for the various sums to be entered which are paid until the amount of credit is exhausted. As an assistance to the holder, the names of the principal places of Europe are annexed, with the bankers to whom the credit is addressed; thus to the first, of Abbeville, is given that of Messrs. Daverton and Tholomé, and to Zante, Lawrence Hayes and Co.

The difficulties were many; but such men as De Bourbel and Graham delight in surmounting difficulties where wealth is to be achieved. One necessity was a continental banker to aid them with his experience; another and less difficult one was the want of a circular letter of credit, on which the imitative capacity of Cunningham Graham might exercise itself. Allan George Bogle, a native of Glasgow, son of a West India merchant, Lieutenant in the Royal Navy, and Graham's son-in-law, was stated to be

chosen by the conspirators to aid them in their bad design. He first obtained a situation as clerk to a banker at Florence, through his father-in-law's interest, and then contrived to enter into partnership with Mr. Kerrich and Mc Carthy, one of whom had commercial connexions of the very highest credit, which produced a profitable business to the new firm of Bogle, Kerrich and Co.

The intimacy of De Bourbel and Graham increased, and the turning room of the latter was chosen by them for their many conferences. Here, by means of a machine ostensibly employed in tracing pictures, they employed themselves in imitating signatures, until they arrived at the most unerring accuracy and verisimilitude.

The commercial connexions of Bogle, Kerrich and Co., were in the meantime rising fast into the highest credit. In March, 1839, a great move was made in the plot by the introduction of the Marquis de Bourbel as a constituent to Bogle, Kerrich and Co.; and the next step was a visit of De Bourbel to London, to accelerate those branches of the scheme which could not be forwarded out of the great English capital. No sooner had the Marquis found himself in England than he discovered a valuable assistant in the person of an old friend, the Baron D'Arjuzon, son of a peer of France, who was president of the College of the electoral department of the Eure, and had been first chamberlain of Hortense, wife of Louis Buona-

parte. The vicissitudes of a gambler's life were a fitting introduction to the risks of the forger; and D'Arjuzon readily joined the designs of his comrade.

The first object was to procure the kind of paper used by Glyn and Co. in their circulars; an operation necessarily of great difficulty, but one in which they were successful. The next was to get the letter of credit engraved, previous to which it was requisite to procure one from the banker whose paper was to be imitated, and whose signature was to be forged. In the month of January, 1840, an application was made to them for a letter of credit. The transaction was regular, the money was paid, the document handed over, and the work of iniquity proceeded with expedition. The master mind of De Bourbel was in a congenial element. An engraver was employed for the copper-plates; the seal of the instrument was engraved, and copies struck off at the apartments of De Bourbel, which were then forwarded to Florence, to Cunningham Graham, who added, by means of his tracing machine, the names of Glyn, Halifax, Mills, and Co. All was now ready for the perpetration of that plot, the discovery of which interested every great commercial house in Europe. Other assistants were procured to the number of six, amongst whom were the son of Cunningham Graham, and Marie Rosalie D'Arjuzon, who was to travel under the title of the Countess of Vandec, with one who called himself the Count De Paindry, but whose title is no

where to be found among those of the aristocratic families of France.

The 19th of April was the day chosen for a simultaneous presentation of the forged letters. The bankers of Italy, Belgium, and the towns on the Rhine, were chosen as the chief victims. America, India, Algiers, or Egypt, was to be the *rendezvous* when the robberies were effected. The chief conspirators were in high spirits. The elder Graham declared, in some intercepted correspondence, "that the letters were perfectiom, and that it would be impossible to refuse them." De Bourbel wrote to Graham, the younger, to be of good courage, to act vigorously, that all was right; "and a proof that all is right is, that Bogle lets him come and embark in the affair. Bogle and your papa are convinced that all will turn out well, and that the letters of credit must be paid."

After an interview of De Bourbel with Bogle on the 21st of April, in a private room, which lasted upwards of two hours, the Count de Paindry commenced his operations by presenting a letter of credit to Messrs. Bogle, Kerrich and Co.; and receiving upon it the sum of £200. The confederation by this time had opened the campaign in various parts of Europe. At Genoa, Messrs. Gibbs and Co. paid £1500 on the faith of the letter. At Turin, £600 were obtained from Nigra and Son. At Milan, £800 were procured from Pasteur Girod and Co.; and on the following day

the same amount was procured from Louis Laurent and Co. Rome next witnessed the pollution of their presence. £200 were procured from M. Le Mesurier, and the next day £1300 more were demanded. So large a sum made the cautious Italian hesitate. It was the first time he had honoured any letter of Glyn and Co. Pipe, one of the subordinate agents, affected great indignation. He asserted that his father had sent him out to purchase pictures on commission, and should the money not be immediately paid, he would forthwith replace what he had received, return to England, and cause his father to enter an action against Messrs. Glyn for damages. The high tone of this man, a consultation with the English Consul and another gentleman, together with a full consideration of the circumstances, unfortunately procured the payment of the money.

Florence witnessed a curious scene in this romantic drama. It has been related that the Count de Paindry had procured £200 from Bogle, Kerrich & Co. On the following day, on the arrival of Mr. Kerrich, he found the Count in earnest conversation with his other partners. A shop-keeper of the name of Philipson had doubted the authenticity of the letter, and the high-minded Count could not think of retaining the money, lest it might possibly injure a reputation so unsullied as his own. "At first," he said, "I determined to pass this over; but, on reflection, it is a matter which touches my honour; and rather

than have my name brought in question, I have resolved to return your money, and request you will write to your correspondents and re-assure yourselves in the matter."

It may be easily imagined that however Messrs. Kerrich and Macarthy, the partners of Bogle, might applaud so honest an action, it was not without its reward to the accomplished Count. An entry was made in the letter as follows, "The above payment cancelled by desire of the bearer. Bogle, Kerrich and Co.," and this would tend to convince other houses of the correctness of any transactions he might have with them. From Florence he sought Bologna, where he procured £347 from Messrs. Landi and Roncadelli; and at Venice a further sum of £40., from Dubois, Brothers. At Trieste, Messrs. Routh paid him £1612 6s.; and one of the partners was so struck with the Count's pleasing manner, that he invited him to his opera box in the evening, and allowed him to accompany him home to his private residence.

Affairs were progressing equally favourably on the Rhine. The Countess Vandec, in order to support her rank, travelled in her private carriage attended by a courier. At Coblenz she obtained £500 from Deinhard and Jordan, and from Gogel, Kock and Co. £520. At Mentz she procured £500 from Human and Mappes Fils, and, satisfied with her success, proceeded to Paris. At Liege, D'Arjuzon and a con-

federate obtained £100 ; and at Brussels £750 from Engler and Co. Ghent was assailed by them on the 23rd ; but Messrs. Meulemeester and Son refused to honour the letter, on the ground of not having received advice from Glyn and Co. On the same day, the letter of credit presented to Engler and Co. was presented to M. Agie, at Antwerp. This gentleman, surprised at a further advance being so soon required, refused to honour the letter on the ground of want of advice. The truth was that M. Agie suspected a fraud. He intimated these suspicions to M. Engler, who immediately communicated with the police ; and Ireland (one of the subordinate agents) was apprehended on the 25th of April, on board the Ostend steamer, bound to London.

The news passed into the Brussels journals ; from thence to Galignani's Paris papers ; and before the ramifications of the conspiracy could be discovered, different parts of the world received the actors in the plot. The names of De Bourbel and Graham were implicated. Mr. Kerrich was startled by the receipt of some documents from Her Majesty's envoy at Florence, in which the name of Bogle was seriously compromised. The distress of mind of the latter appears to have been great ; and after some agitated interviews with his partners, he declared his determination of retiring from the firm, a letter to this effect being drawn up by Mr. Macarthy.

The first intelligence in England of this fraud was

received by the “Times” newspaper, in which a letter was published wherein Mr. Bogle’s name was introduced as one of the fraudulent parties. The letter stated “that a great forgery company, established on the continent, had lately been detected and blown up, and that the object of the company was to plunder the continental bankers by means of forged letters of credit, purporting to be of the banking firm of Glyn, Mills and Co., of London.” The letter then gave the names of the conspirators, and among others included that of Bogle, who immediately commenced an action against the proprietors of the “Times” newspaper, as he was unable to support the idea of his name and character being questioned. The behaviour of the conductors of the “Times” was worthy their high reputation. Disregarding expence, they sent Mr. Dobie, their solicitor, and Mr. Kirwan, a barrister, to the continent; there, after an anxious search and harassing difficulties, a body of evidence was obtained from which the above circumstances have been collected, and which perhaps, have never been surpassed in the annals of jurisprudence.

The character of the plaintiff was estimated at one farthing by the jury, which was the amount of damages granted by them. The judge refused to certify; and the expenses of Mr. Bogle, therefore, were paid out of his own purse. The testimony paid to the proprietors of the “Times” was worthy the vigorous and honourable course of that paper; nor is

it possible to praise too highly the promptitude which published the account, the boldness which printed names at a risk so great, or the skill that collected the evidence which justified its conduct in the eyes of all Europe. The following will give some idea of the fate of the various conspirators.

De Bourbel retreated to Spain; but is supposed to have been in London at the time of the trial, and to have supplied Bogle with cash, and what would be more valuable, with the counsel of his crafty brain.

The Count de Paindry was overtaken in Moldavia, and compelled to disgorge some of his plunder; was delivered over by the police of Constantinople, and sent to Genoa, and thence to Aix, where the court declared its incompetency to take cognizance of the affair, and he was dismissed.

Alexander Graham died at a maison de Santé, in great want and misery.

Graham the elder, D'Arjuzon, his mistress, and Pipe, do not appear to have suffered any molestation on account of their share in the transaction, other than that they were compelled to decamp very suddenly; so that the only parties punished in connexion with a fraud of unexampled magnitude, laid with consummate skill, and put into execution with boldness that ensured its success, was the journal which put the commercial men of all Europe on their guard, broke up the confederacy, and prevented the loss of thou-

sands. The expenses of the “Times” are known to have amounted to many thousand pounds. A contemporary says :

“The bold and manly conduct of the “Times” in publishing the original account of the confederacy, the resolution with which they stood the attack, as well by pleading justification instead of an evasive plea, as the enormous expense they went to to support the plea, and the important consequences resulting from the whole proceeding, did not escape the observation of the merchants and bankers, and was greatly appreciated by them. A committee was formed ; subscriptions poured in from every quarter ; the Corporation of the city, the companies, the incorporated bodies of every kind, merchants, bankers, and tradesmen, and even private parties, hastened to forward very handsome contributions. Nor were the leading merchants and bankers of the continent at all backward ; they, indeed, were the parties chiefly aimed at, and they came forward very handsomely, so that in the course of a few months the subscription amounted to £2700.

“The proprietors of the ‘Times’ now added another honour to those they had already gained, for, declining any of the customary forms in which tributes of this nature are usually embodied, they requested that some mode should be chosen by which, at once, the memory of the occasion might be perpetuated, and the community benefitted ; and it was finally decided, that, with

the exception of the expenditure of a trifling sum in tablets, with suitable inscriptions, one to be placed in the Royal Exchange, and the other in a conspicuous part of the “Times” printing establishment, the whole of this sum should be appropriated to the foundation of two scholarships, to be given to youths elected from Christ’s hospital and the City of London school, to the Universities of Cambridge or Oxford.”



CHAPTER VII.

THE INCOME TAX—ITS PAYMENT ON ANNUITIES—THE BANK CHARTER ACT—ITS PROVISIONS—THE COUNTRY BANKERS—PETITION OF THE LONDON BANKERS—ITS RESULT—NEW ARRANGEMENTS—WILL FORGERIES.

THE advent of Sir Robert Peel to power, in 1842, was a circumstance of some importance to the Bank of England. The powerful majority by which he was supported rendered it almost undoubted that he would maintain the position in which he had been placed by the country, when the expiration of the first ten years allowed by the charter for the continuance of the privileges of the corporation should arrive; and it was almost equally certain that he would modify the principles on which it had hitherto been founded, according to his own views of the necessities of the monetary world. The position of the country at this period was very critical. A feeling of discontent was prevalent among the agrarian and manufacturing population. An empty treasury, a failing revenue, and a

dissatisfied people, were sufficient to render the government of the nation a difficult task. But the prospect of our foreign relations also was by no means cheering. The Chinese question was unsettled. We were waging an expensive but ineffective war with an empire which reckoned its people by myriads. In the east we saw the power which had been won by a Clive, supported by a Hastings, and consolidated by a Wellesley, jeopardized in a manner which roused the sympathy of the whole nation. The integrity of the Turkish empire had been supported against the capacity of one of the great men of the day, and against the inclination of France, the government of which maintained an armed and haughty neutrality, while her people were prepared to spring with the fierceness of their nature on the enemy they denounced. America advanced claims which the dignity of Great Britain rejected.

These things were ominous, and required a practised skill to grapple with them. The danger, however, passed away. India was preserved, and China yielded up her undignified isolation. From the Chinese expedition came a treasure, which, for the first time in the history of the Bank of England, placed within its keeping a metal, which, under the name of Sycee silver, had never before been within her vaults ; and which was an object of almost universal interest. The pride of France was soothed by time. The breach with America was healed through the agency

of an Ashburton ; and by the imposition of an income tax the finances were restored to a healthy condition. The labour of the officers of the Bank was greatly increased by the deduction of the property tax from more than half a million of dividends belonging to the public creditor, and the interests of the Corporation were yet more deeply involved in this tax, as it opened the question with regard to the justice of paying the charge upon terminable annuities. In many instances these annuities would expire in a very few years ; and in the case of the Bank, which possessed the Dead Weight and other annuities, entered into without any idea of such a tax, it appeared to the proprietors a very objectionable impost. It was argued by these gentlemen, at a meeting of the court, that it would not be equitable to compel them to pay the income tax on annuities, as it would be in reality paying on the capital. A motion was carried requesting the governors and directors to memorialize the government on the question ; but the attempt was vain, as it was determined that no difference should be made between the dividend of the fundholder and the payment of the annuitant.

In 1844, a reduction was made in the whole of the funds which bore an interest of $3\frac{1}{2}$ per cent. Money had been abundant ; the three per cent. consols were above 100 ; and there could not be a more favourable period for the operation. The idea had long been

prevalent that the dividends upon this Stock would be reduced ; and those proprietors who lived upon their interest evinced great anxiety when it was known that the alteration was decided on. The proposition, however, was one which met with much favour. Instead of an immediate reduction to three per cent., it was announced that for the first ten years the $3\frac{1}{2}$ per cents. would be lowered to $3\frac{1}{4}$; and after that, to three per cent.; at the same time they were guaranteed against any further alteration for the succeeding twenty years. The dividends of the greatest portion of the Stock had hitherto been paid in January and July, but they were from this period receivable in April and October. Three months dividend was paid to all the holders of the new $3\frac{1}{4}$ per cents., and this arrangement possessed the advantage of equalizing the half yearly amount of interest paid to the national creditor. The operation was altogether very successful, and met with great approval from those who were considered most capable of judging of its merits.

The history of the last Bank charter act has now to be detailed. It is a history fraught with interest, no less from its importance than from the strange misunderstanding which arose during its progress. For some time previous great speculation existed as to the character of the act ; and the future policy of Sir Robert Peel was looked forward to with considerable earnestness. The question of the circulation

was widely discussed ; but a perusal of the numerous pamphlets appeared to render it impossible to reconcile the contending opinions which obtained. It was a fortunate circumstance for the Corporation that those upon whom the management of the detail devolved were successful in obtaining the confidence and esteem of Sir Robert Peel. They had a most difficult task to perform. They had to reconcile the rights of the proprietors with the public interest. They had firmly to resist a strong pressure from without ; and they had to accommodate their views to those principles by which it was resolved to frame the charter. Their correspondence proves that they did not, by servilely yielding at once, sacrifice the rights of the proprietors, but where they were compelled to give way, they did so from the conviction that resistance was useless. The few words of Sir Robert Peel are sufficient evidence ; he said, “ I must, in justice to the gentlemen who conducted the negociation on the part of the Bank, declare that I never saw men influenced by more disinterested or more public spirited motives than they have evinced throughout our communications with them. They have reconciled their duties as managers of a great institution, bound to consult the interests of the proprietors, with enlightened and comprehensive views of the public interests.” On a subsequent occasion, Sir Charles Wood remarked, and the opinion is valuable as the expression of an opposite political faith, “ I will only say

that the more we enquired into the conduct of the directors in the management of the Bank affairs, the more I was convinced of the injustice of the greater part of the charges which had been made against them ; I was convinced that whatever they did, they did in the belief that it was for the best, for the public interest ; and above all, I believe that they have not been swayed by any considerations of their mere private interests.”

The question of the renewal was opened by a letter addressed to the governor and deputy-governor by the Right Hon. Henry Goulburn, then Chancellor of the Exchequer, proposing certain alterations in the act, and entering very minutely into the question. To the suggestion since carried into effect, that a publication of the affairs of the Corporation should be made weekly, although the reply of the Bank authorities offered no objection, they intimated a doubt whether the publication of the banking accounts could be considered essential ; and to the proposal to remove the prohibition then in force, as to drawing, accepting, or paying bills within the sixty-five mile circle round London, they alluded in the remark that the Bank might incur some loss in its banking department ; and in the more serious objection, that if such power should be exercised for the purpose of circulation, it might interfere with the great object of the projected measures. It will be seen that Sir Robert Peel made an emphatic declara-

tion concerning this remonstrance. The fear thus expressed was fulfilled by the result. Many such attempts were made to establish a spurious and illegal circulation. They were, however, quickly exposed; exposure produced failure; and they are only worth mentioning as a short-sighted policy which met with the fate it merited.

The reply of the Bank was considered satisfactory by the ministry, who refused to hold out any prospect of an abatement of the terms which the Bank were to pay for their advantages, and the correspondence concluded with the acceptance of the conditions of Mr. Goulburn. These letters afford an additional proof that the government had no intention of allowing the Bank to increase its circulation above fourteen millions. The following is a copy of the "Resolutions to be proposed in committee on the Bank of England Charter Acts, on Monday, the 20th of May," which were appended to the letters of the contracting parties.

1. "That it is expedient to continue to the Bank of England certain privileges, subject to certain conditions.

2. That the Bank of England should henceforth be divided into two separate departments; one confined to the issue and circulation of notes, the other to the banking business.

3. That it is expedient to limit the amount of securities upon which it shall be lawful for the Bank to

issue notes, payable on demand, and that such amount shall only be increased under certain conditions to be prescribed by law.

4. That a weekly publication shall be made of the circulation and the banking departments of the Bank of England.

5. That it is expedient to repeal the law, which subjects the notes of the Bank to Stamp duty.

6. That the rate of payment by the Bank shall be £180,000 per annum.

7. That, in the event of any increase of securities, as aforesaid, a further annual payment shall be made by the Bank equal in amount to the net profit derived from such additional securities.

8. That it is expedient to prohibit the issue of notes, payable on demand, by any bank not now issuing notes, or by any bank hereafter to be established.

9. That it is expedient to provide that such banks, in England and Wales, as now issue notes, payable on demand, shall continue to issue them, subject to such conditions as may be provided for.

10. That it is expedient to provide, by law, for the weekly publication of the amount of notes payable on demand.

11. That it is expedient to make provision, by law, with regard to joint stock banking companies."

The principles of the bill did not meet with much admiration among the country bankers, who, naturally

enough, looked upon the system which yielded them large profits, as a very excellent system, and thought all interference not only unpleasant but unnecessary. The memorials which they presented to government met with attention ; and where it was shown that an alteration would be an improvement, it was readily adopted.

The speech of Sir Robert Peel, on the evening of the 6th of May, 1844, will well repay perusal. The subject was one to which his mind had long been devoted. From the year 1819, when that bill, which is indelibly associated with his name, received the assent of the legislature, up to the period when the renewal of the Bank charter act occupied the attention of the house, the name of this gentleman is to be found in all those debates which affected the welfare of the Bank of England. The opening of his oration evinced his sense of the importance of the movement. “ There is no contract, public or private ; no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements made in all the domestic relations of society, the wages of labour, pecuniary transactions of the highest amount and the lowest, the payment of the national debt, the provision for the national expenditure, the command which the coin of the lowest denomination has over the necessities of life, are all affected by the decision to which we may come.”

On the 17th of April, 1844, the committee of country bankers held a meeting, and passed several resolutions indicative of their alarm that Sir Robert Peel would propose certain alterations in the local circulation ; and calling on all their brethren to co-operate with them in a strenuous opposition. Their reasons for this mode of action were, that government had refused to declare its views prior to mooting the question in parliament ; and as the weakest fortress makes the greatest show of resistance, so they endeavoured to guard themselves in that part where attack was most to be expected, and most dangerous.

Their resolutions were alluded to in the speech of the right honourable gentleman, who expressed his conviction, that their own assertions were sufficient to condemn their cause, with his hope, that no member of the senate would respond to an appeal which demanded him to come into that house pledged to a specific course of action, as though no statement and no argument could add to his knowledge or throw any light upon the intricate subject.

The following is a digest of the clauses of the new bill.

1. That from and after the 31st of August, 1844, the issue of notes payable on demand shall be kept distinct from the banking business, and that it shall be conducted in a separate department, to be called "The issue department of the Bank of England."

2. That on the 31st of August, 1844, the Bank shall transfer to the issue department securities to the

value of fourteen millions, the debt due by the public to be deemed part ; that the banking shall transfer to the issue department, all the gold coin and gold and silver bullion not required ; that the issue department shall deliver to the banking department such an amount of notes, as, with those in circulation, shall equal the securities, coin, and bullion, transferred to the issue department. That the Bank may not increase but may diminish the amount, and again increase it to any sum not exceeding fourteen millions.

3. That the Bank may not retain in their issue department at one time more silver than one-fourth of the gold coin and bullion held at the time.
4. That the notes of the Bank shall always be payable in gold on demand, at the rate of £3 17s. 9d. per oz.
5. That if any country banker shall cease to issue his own paper, the Bank of England may issue additional notes to the amount of two-thirds of the authorized issue of the said banker.
6. That a weekly report of the accounts of the issue and banking departments be published in the "London Gazette."
7. That the notes of the Bank shall be freed from the payment of stamp duties.
8. That £180,000 per annum shall be deducted from the charge made for the management of the national debt.

9. That if (under provision 5.) the circulation of the Bank shall be increased, the net profit of such circulation shall also be deducted from the above charge.

10. That no other banks of issue be allowed than those in existence on the 6th of May, 1844.

11. That after the passing of this act no banker may issue, in England and Wales, any bill of Exchange or promissory note on demand, excepting such bankers as were in existence on the 6th of May, 1844, who shall only continue to issue them under the conditions hereinafter mentioned. That the right to issue notes shall not be compromised by the admission or retirement of any partners. That no company now consisting of six or less than six partners, shall, if they exceed that number, be allowed to issue notes.

12. That if any banker shall become bankrupt, or shall cease to issue notes, he shall not resume the issue.

13. That the average amount of the twelve weeks' circulation prior to the 27th of April, 1844, shall be taken of those bankers who issue notes, and they may continue to issue them, provided they shall not, on four weeks' average, circulate more than the average previously taken.

14. That if two or more banks become united, the same principles shall apply to their issue.

15. That the average circulation of the country bankers, the twelve weeks prior to the 27th of April,

1844, shall be published in the "London Gazette," and this "Gazette" shall be received as evidence of the circulation allowed to such banker.

16. That if two or more banks unite, the same principle shall be applicable to them ; but it shall not be lawful for them to issue notes when the partners exceed six.

17. That if any country banker exceed his authorised amount, he shall forfeit a sum equal to the sum issued in excess.

18. That a weekly account shall be sent by every banker issuing notes, on and after the 19th of October, 1844, to the Commissioners of Stamps and Taxes, of the amount in circulation each day of the week ; and also an average amount of the said weekly circulation ; and on the expiration of every four weeks, the average amount of the said notes, with the amount authorized, shall accompany the weekly account. The weekly average to be published in the "London Gazette." Any banker rendering a false account to forfeit for each offence £100.

19. That the average amount of the issue of each banker is not to exceed that certified by the Commissioners of Stamps and Taxes.

20. That the said commissioners shall have full power to examine all books, at all seasonable times, of such bankers as issue notes, and to take copies or extracts from any such book or accounts.

21. Each banker to return his name, residence,

and occupation, or in the case of a partnership or company, the name, residence, and occupation of every person ; a copy of such return to be published.

22. Each banker to take out a separate license for every place at which he may issue notes or bills. Any banker having such licence in force on the 6th of May, 1844, for issuing notes at more than four separate places, shall not be called on to exceed his licenses for continuing such issue in the places specified.

23. That on and after the 31st December, 1844, the Bank shall pay to certain bankers, agreeing to issue their notes, one per cent. on the account circulated.

24. That similar arrangements may be formed with other banks of issue, provided the composition be deducted from the amount payable by the governor and company to the public.

25. That all the compositions payable to the several banks which have ceased to issue their own notes under the usual agreement with the governor and company, shall cease on the 1st of August, 1856.

26. That any company of bankers, though exceeding six in number, carrying on the business of banking in London or within sixty-five miles, may draw, accept or endorse bills of exchange, not payable on demand.

27. That all previous privileges, except such as are abolished by the act, shall remain in force, subject

to redemption at any time, upon twelve months, notice being given, after the 1st of August, 1855, and on repayment of all debts due from the public."

The last was an unusual feature ; as, if the existing government in 1855 omitted to give notice of an alteration in the charter, it was at their option to do so in the following year, or at any succeeding period which might appear to render it advisable to suspend or alter the privileges of the corporation.

It was considered by some that the privileges granted to the country banks, by which they might draw bills within the sixty-five mile limit at less than six months date, might give rise to a paper currency, differing in form, but not in principle, from promissory notes. "But," said the framer of the charter, very emphatically, "I give public notice that if the power should be abused, if it should be attempted to circulate small bills so accepted, within the limits reserved to the Bank, I shall not hesitate to appeal to parliament on the instant, for the purpose of correcting the evil." A court of proprietors met to discuss the alterations, and the letters which had passed between the Chancellor and the governor and deputy-governor were read. The court was adjourned for a few days and the proposals agreed to at the ensuing meeting with only three dissentients.

The two great elements of this act were that the Bank might issue £11,000,000 on the security of the debt due from the public, with £3,000,000 on

exchequer bills and other securities ; and that every note issued beyond that sum must have its representative in an equal amount of bullion. The measure as at first proposed met with a few modifications ; but the great principles of the bill, which not only restricted the issues of the Bank of England, but those of the country banks, also, remained unaltered. The objections of the representatives of this class were strong ; but no objections that they could make were equal to the facts which were developed in one of the speeches of the right honourable baronet. A simple announcement of the failures of bankers destroyed all their assumptions ; and every argument grew weak in comparison with the statement that from 1839 to 1843, there had been eighty-three bankruptcies, of which twenty-nine were banks of issue ; that of these, forty-six had paid no dividend, twelve had paid less than 5s. in the pound, twelve had been under 10s., three less than 15s., two under 20s. ; the results not yet being known of seven ; that some, though insolvent when they died, had left large amounts to their relatives ; that others had embarked in wild speculations, to the ruin of themselves and their clients, and that the only assets of another were race horses.

Allusion has been made to an incident of great interest which arose during the proceedings. When the bill was first introduced, a general impression was prevalent that the government had reserved a right to

itself to increase the amount of circulation on securities, above the fourteen millions to which it was ordinarily limited. When, therefore, the act was printed, and it was seen that none of the enactments were to this purpose, those members of the monetary classes who were in favour of large issues, took the alarm, and at a meeting of the banking interest, a letter was framed, calling on Sir Robert Peel to abide by his word; and, after some difficulties and dissensions which are not worth detail, a letter was sent on the 13th of June, to the right honourable baronet, stating that on the first announcement of the new bill, it was proposed, that in the event of any particular crisis, a power should be reserved, with the consent of the government, of extending the issues of the Bank of England beyond fourteen millions, and submitting that the absolute limitation of the issue to this amount would create a feeling of uneasiness throughout the country. This letter was signed by the following firms:—

ROBARTS, CURTIS & Co.	CURRIE & Co.
HANBURY, TAYLOR & LLOYD	GLYN, HALIFAX & Co.
BOSANQUET, FRANKS & Co.	WILLIAMS & Co.
BROWN, JANSON & Co.	FULLERS & Co.
BARCLAY, BEVAN & Co.	BARNARD, DIMSDALE & Co.
HANKEY & Co.	BARNETT, HOARES & Co.
SMITH, PAYNE & SMITHS	LUBBOCK, FORSTER & Co.
WILLIS, PERCIVAL & Co.	STEVENSON, SALT & SONS
MASTERMAN, PETERS & Co.	PRICE, MARRYAT & Co.
ROGERS, OLDDING & Co.	SAPTE, BANBURY & Co.
SPOONER, ATTWOOD & Co.	WESTON & Co.

TWININGS & Co.
DIXON & Co.
COUTTS & Co.
HERRIES & Co.

RANSOM & Co.
STRAHAN & Co.
SCOTT & Co.
COCKBURN & Co.

The reply from the minister was to the effect that he would refuse any further extension than that already provided for by the fifth clause, and denied that his speech on the first introduction of the matter justified the opinion entertained by the applicants.

It seems difficult to account for the view taken by these and other gentlemen that Sir Robert Peel originally intended to allow the Bank to increase its issues in the event of any great monetary crises. The whole tenor of the bill proved that this would have been incompatible with its principles. That the idea was very prevalent there can be no doubt. Mr. David Salomons asked the governor of the Bank, at the meeting of the court, “Has the Bank the power, with the consent of government, to increase its issue?” The answer was “Yes; with the consent of the First Lord of the Treasury, the Chancellor of the Exchequer, and the Master of the Mint.” This, at first sight, may appear to support the opinion of the bankers; but it is strictly true, and it is most probable that the governor referred in his reply to the increased issue liable to a change in the circulation of the country banks. Sir Charles Wood, in a speech remarkable for its elegance and depth, stated that it was one of his most important objections to the

charter; and a great portion of the monetary world begin, through the mere force of reiteration, to believe that the premier made a wilful alteration in his bill, while, during a late financial crisis, in the memorable petition of the bankers, that interest again acted on this impression.

The English language could scarcely be more explicit than the passage by which the great architect of the Bank charter has been judged. It is now given that the evidence may be fairly weighed.

“ I have said that the Bank shall be restricted from issuing notes upon securities to any greater extent than fourteen millions. The restriction applies, however, to ordinary circumstances, and the present state of the affairs of the Bank. The case may occur in which it would be reasonable, and, indeed, might be necessary, that there should be an increase of the issues of the Bank upon securities. Supposing the country circulation to amount to eight millions, and of this amount two millions to be withdrawn, either in consequence of the failure of banks, or in consequence of agreements with the Bank of England to issue Bank of England paper; in that case, in order to supply the void, it may be necessary that the Bank should make an increased issue. A part of this issue may fairly be made upon securities. Our proposal is, that the profit to be derived from such an issue shall be placed to the account of the government, and that no increased issue upon securities shall take place

without a communication from the Bank to government, and without the express sanction of three members of government, the First Lord of the Treasury, the Chancellor of the Exchequer, and the President of the Board of Trade. We do not contemplate, and do not intend to provide for, an increased issue upon securities in any other case than that to which I have referred, namely, the supply of a void caused by the withdrawal of some considerable portion of the existing country circulation." There is scarcely any necessity for comment on this. The mistake must have arisen from some one taking the lead in the assertion ; and it must have been continued from the indolence which prevented others from re-perusing the debates. The principle is laid down, the exceptions are named, and then, that there may be no error or misunderstanding on so important a point, those exceptions are reiterated in language which cannot be more definite. " We do not contemplate, and do not intend to provide for an increased issue upon securities in any other case than that to which I have referred, namely, the supply of a void caused by the withdrawal of some considerable portion of the existing circulation." There is no circumlocution in this, and there can be no doubt to a disinterested party ; but " the wish is often father to the thought," and words are often looked at through coloured spectacles, which only require the clear light of day to interpret correctly.

The nature of this charter was approved by Mr.

Jones Loyd. His evidence before the committee of the House of Commons indicated that which he afterwards wrote ; that the contraction of the circulation in correspondence with the decrease of the bullion was the only measure which could afford effectual security for stopping the drain of bullion. The “Times” remarked, “the sincerity of Mr. Loyd’s opinions can admit of no doubt, since they are at variance with his own interest as a banker, as persons are not wanting who accuse him of having betrayed his craft, and of having assisted in handing over the entire banking interest to the government, for the purpose of creating ultimately one great banking monopoly.”

It was the opinion of Mr. Loyd that to accede to the petition would be virtually to destroy the effect of the measure ; others believed that it would have given a dangerous power to government, which might have been turned to all sorts of abuses ; and there can be little doubt that it would have been the first step towards a government issue. But whatever the effect, a clear statement of the facts must exonerate Sir Robert Peel from the opinion of the bankers that he ever contemplated any other increase of issue than that which might be necessary from the failures or withdrawals of the country banks ; and his own language alike proves their error, and is his justification.

On the 3rd of September, 1844, the new arrangements, by which the issue was separated from the

banking department, came into operation ; and on the 6th, an announcement was issued that bills would be discounted at $2\frac{1}{2}$ per cent., and notes at 3 per cent., such bills and notes not having more than ninety-five days to run. This, which seemed like a declaration that the directors of the Bank, as the circulation was no longer under their control, were disposed to enter into competition with the general discount market, caused many comments. It was at the time a prevalent feeling that the accountability of the directors as managers of the circulation was greatly reduced, if not destroyed ; but events which have since occurred prove that the public are still disposed to burthen them with the responsibility, disregarding the fact that, to a great extent, they are deprived of both power and profit. In November of the same year, the Bank commenced charging a commission on sums remitted to various parts of the country through the agency of the branch banks.

The year 1844 gave additional evidence that there is no security against fraud. A man named Joshua Fletcher, induced William Christmas, a clerk in the Bank, to give him information from the private books of the Corporation. There is no possibility of ascertaining the precise amount of guilt of Christmas, but it is believed, having once been induced to pass the strict line of duty, that Fletcher wrought upon his fears of discovery, and extracted from him sufficient information to compass his designs. Forgeries of

wills to a large amount were carried on ; great sums of money were frequently obtained ; and, though the clerk received gratuities in return, it does not appear that he was guilty of a partnership in the fraud. The Attorney-general distinctly stated his belief that Christmas had not a criminal knowledge, but was chargeable only with having given information against the rules of the Bank.

About the year 1815, a Mr. Slack died, and by his will appointed Mr. Hulme, partner in the banking house of Jones Loyd and Co., as his executor. Among other duties which arose from this executorship, Mr. Hulme transferred £6600 three per cent. consols and £3500 three per cent. reduced, into the name of Ann Slack, of Smith Street, Chelsea, daughter of the deceased Mr. Slack. This lady, justly reposing the most unbounded confidence in the gentleman chosen, by her father as executor, drew upon him for the money she required, without being aware that the £3500, three per cent. reduced, had been transferred into her name, or that there was any other property due to her than the £6600 in the three per cent. consols. Mr. Hulme acted as her friend and as her banker ; and Miss Slack, happy in his integrity, was at no trouble to enquire into the particulars of her property.

On the death of Mr. Hulme, in 1832, this lady resolved to receive her own dividends ; and knowing only of the £6600, demanded the interest on it, still

leaving the £3500 in the possession of the Bank of England, from 1832 to 1842, when the Stock, with ten years' dividend, were both transferred, by the Accountant-general, under the act 56 Geo. III., to the commissioners for the reduction of the national debt. Had it not been for the signal and successful fraud to be related, this money would, in all probability, have been lost to its rightful owner.

The department of the unclaimed stock at the Bank was under the management of William Christmas, a clerk in the establishment, who, either weakly or wickedly, gave information of the transfer of this sum by the Accountant-general to his friend, Joshua Fletcher, originally in the medical profession, but a man of exceedingly dark and more than doubtful reputation. It immediately became the object of Fletcher fraudulently to secure this sum, by the surest means and the smallest amount of risk ; and after tracing Miss Slack, with all the craft of crime, from Smith Street, Chelsea, to the house of her brother-in-law, Captain Foskett, at Abbott's Langley, he lost no time in applying to Mr. Barber, of the reputable firm of Barber and Bircham, attorneys of Bridge Street, Blackfriars, and a correspondence commenced with Captain Foskett, in which, in October, 1842, Barber boasted of private information from the Bank, and artfully procured the signature of Ann Slack, which was handed by Fletcher to Christmas, by whom a comparison was made with that lady's

signature in the books of the Corporation : and on the 4th of June, 1843, Barber wrote, saying, " As the signatures do not correspond, we have arrived at the conclusion that the identity cannot be supported." It is noticeable that this was in direct opposition to the opinion given by Christmas, who had stated the writings to be similar, and was, therefore, an evidence that some deception was about to be practised.

The next step of the attorney was to insert a notice in the "*Times*," advertising for the representative of Ann Slack, formerly of Chelsea ; but this of course was ineffectual. It is necessary to follow this affair closely, because it was either a regular business transaction on the part of Mr. Barber, or these things prove that, under the colour of great candour, a most artful fraud was being perpetrated.

The next movement of Fletcher was to register the name of Ann Slack, as deceased ; and on the 25th of February, 1843, he went to the office and reported her death as having occurred at No. 8, South Terrace, Pimlico. The following step, in this consummate deception, was to execute a false will, to pass it through Doctors' Commons, and to lodge it at the Bank. This was successfully done ; but this was the immediate cause of discovery. When the probate of a will is lodged at the Bank, the stock specified only is placed at the command

of the executors. But should there be any other funds in the name of the deceased party, the word "deceased" is placed against the name; and this prevents any unauthorised person from receiving the interest. By the rules of the Bank, also, no more stock can be added to that which is technically termed "a dead account." When the probate of the will, therefore, was lodged, the word "deceased" was placed against the account on which Miss Slack personally received the interest, as well as against that which was claimed by the forgers, and thus the fraud was eventually discovered.

Prior to the proceedings enumerated above, it was necessary to provide a fictitious Emma Slack to pass as the niece and executrix of Ann Slack, and this was done in the person of Lydia Sanders, who occupied apartments for the occasion in Oxford Street.

The will being forged, the probate lodged, and a representative provided, the great difficulties in the way of procuring the £3500, with the additional ten years' interest, were surmounted, and the path became comparatively easy. Barber introduced Lydia Sanders to a stock-broker, who, on the faith of the attorney's supposed respectability, and as an every-day occurrence, identified her as Emma Slack, and thus the money being secured, the villany appeared successful; while from the nature of the transaction similar offences might have been frequently perpetrated. . . .

It has been seen that both the accounts of Miss Slack had the word “deceased” placed against them in the ledgers of the Bank. When, therefore, her broker received instructions to purchase a certain amount of stock for her, he was informed while making the necessary enquiries, that Miss Slack was dead, and that no more stock could be placed to the account.

The surprise of the broker was great, and he immediately wrote, informing his client of her reported death. The astonishment of this lady was such that she instantly came to town and presented herself at the Bank, where the matter was fully investigated. On searching the books, it was discovered that a will had been lodged, purporting to be signed by Ann Slack, of Smith Street, and that £3,500, with the accruing dividends of £1100, had been paid.

The first thing to ascertain was the name of the solicitor employed, and the house of Barber and Bircham was brought to notice. When Mr. Barber's name was discovered, Mr. Freshfield called at his office, and told him that the will was a forgery, and that the fact must be reported to the treasury. Barber replied that the affair was quite regular, and that Emma Slack was a most respectable woman. But the Bank Solicitor drew his attention to the point, that in 1842 he had enquired for the representatives of Ann Slack, and that he had proved the will of

that person as dying in February, 1843 ; to this remark Barber gave some hesitating answer, and professed to forget who had introduced Emma Slack to him.

From that period Barber was closely and carefully watched ; and little did he suppose that, to whatever part he directed his steps, the acute eye of Forrester, the officer, was on him. For three weeks his path was tracked ; and yet it is remarkable, that although the visit of Mr. Freshfield must have aroused his alarm, and that a communication with Fletcher was most natural, he attempted no interview, but went to and from his office as customary ; and when it was deemed advisable to apprehend him, and his papers were seized, all the documents connected with this transaction were found among the office papers, endorsed "Re-Slack," with no attempt at concealment, as if it had been a perfectly legitimate business. The apprehension of Barber made the name of Joshua Fletcher known to the Bank Solicitor, as being deeply implicated in this infamous transaction.

When Barber was first examined he called Fletcher to prove that he had only acted as his attorney. From the witness box Fletcher passed to the officer, and thenceforward took his place as an accomplice.

The next person to find was the party who had represented Emma Slack ; and after great sagacity on the part of the officers, she was discovered in one Lydia Sanders, of Bristol.

Of the money so fraudulently obtained, £1000 was

received in a note to that amount by Lydia Sanders, who publicly displayed it as a curiosity in the shop of her sister, Georgina Dorey, also tried as an accomplice. Another note was changed by Barber and Fletcher, the former of whom had advanced all the requisite funds, in the shape of probate, legacy duty, stamps, &c., a custom quite common among the profession.

The trial excited peculiar attention. The escape of Barber in a former case had renewed his confidence, and he appeared certain of acquittal. Of the guilt of those parties who stood with him at the same bar, no doubt has ever been entertained. Nor, indeed, when the apposite remark of Mr. Freshfield concerning the date of the forged will, and the date of Mr. Barber's letters to Captain Foskett, is remembered, can a dispassionate mind come to any other conclusion than that William Henry Barber was a knowing and fraudulent accomplice of Joshua Fletcher, and that the verdict which pronounced him guilty was justified by evidence, both direct and collateral. That there were extraordinary symptoms of an apparent innocence, or that great carelessness was shown, hardly compatible with so important a transaction, there can be no doubt; but the overwhelming fact is recorded against this plausible man, that in 1842 he wrote to Captain Foskett of Ann Slack as then dead, and that he was a party to the passing of the will of the same Ann Slack, as having died in 1843.

When their sentence was announced he earnestly called on Fletcher to exonerate him. The latter, however, refused ; and Barber entered into a defence, the greatest part of which was meant to prove that he had been deceived by Fletcher, and that he was entirely innocent. The following formed the conclusion : “ If I have been negligent, I have already suffered deeply. I solemnly declare that throughout this business I have acted merely as a solicitor ; and, as I expect to answer for this declaration in a future world, again declare that I am innocent, and that I have been deceived by Fletcher, who had obtained my confidence.” There was a considerable difference of opinion at the time in the public mind ; the facts connected with the case were closely investigated, the conclusion arrived at by the legal authorities being that Barber was guilty, and that it would not be proper to commute the punishment awarded in ordinary and less flagrant cases.

In order to obviate any future fraud, various precautionary measures have been used, which render similar instances of deception almost impracticable. It is worthy of remark that the whole of the loss occasioned by the will forgeries was sustained by government.

Prior to 1846, two arrangements, which demand great praise, were entered into. By one, the clerks commenced a mutual guarantee against fraud ; and the securities, which had hitherto been necessary, were

abolished. By the other, the governor and Court of Directors allowed to each clerk in the establishment a period of leave every year proportioned to his service. This plan was warmly appreciated by those for whom it was thoughtfully established, and will tend to benefit the health of the clerks, at the same time that it nourishes a desire to return the kindness.

This year the further relaxation in the usury laws, by which bills not having twelve months to run had been exempted from the operation, was continued until 1850.

On the 20th January, 1846, the mint received from the Bank £5000 in worn sixpences, which, converted into new coin, produced £4,310 6s. 2d., the loss being at the rate of £13 15s. 10 $\frac{1}{2}$ d. per cent. In the same year the Bank sent £1000 in old shillings, which only caused a loss of £8 0s. 2 $\frac{1}{2}$ d. per cent., as they produced £919 18s. 0 $\frac{1}{2}$ d. In November, 1846, £12,000 in worn sixpences occasioned a loss of £14 1s. 7 $\frac{1}{4}$ d. per cent, as they procured only £10,310 5s. 5 $\frac{1}{2}$ d.

CHAPTER VIII.

FORTUNATE DISCOVERY—FORGERY OF BURGESS—ESCAPE TO AMERICA—THE PURSUIT—ROMANTIC EVENTS—RAILWAY MANIA—ITS PROGRESS AND DEVELOPMENT.

AN ingenious fraud was perpetrated in 1845. Payment for two stolen notes, of £500 each, had been stopped; but, notwithstanding this precaution, both were paid on presentation, one coming in a few days after the other. When the error was discovered, the carelessness which produced it was severely blamed by the authorities; an enquiry was instituted; the clerk was examined; and he could not deny the initials, on the authority of which the notes were paid. Although the directors of the Bank are not responsible for these notes, they decided that the carelessness which could overlook the stoppage of them for such large sums amounted to culpability, and that the payer must be responsible for the amount. The excellent character of this gentleman, however, together with his general conduct, raised a doubt in the minds of the directors,

and they requested Mr. Alfred Smee to analyse the ink, and see if it were that generally used in the establishment. This gentleman was fortunately able to prove that the initials on every note passed on the day of payment were written in Bank ink, and that the initials of the stolen notes only were in ink of different ingredients. The signatures were in truth forged, and so excellently imitated, that it was impossible to distinguish between the true and the false.

Another daring forgery was committed on the Corporation in 1844. It was, however, so cleverly arranged, that had not peculiar thought been evinced by a member of the establishment, discovery might have been long eluded, and detection ten-fold more difficult. In September of that year, William Burgess, a clerk employed in assisting the power-of attorney office, obtained a brief leave of absence. On the day of its commencement a broker called at the office, requested to see the absentee, and expressed surprise at his being away, as Burgess had desired him to sell £8200 from the account of William Oxenford. This enquiry occurred on the Tuesday, and on the following Saturday Burgess should have returned to his duties, or have sent a sufficient excuse for not doing so. He did neither, and under such circumstances an enquiry is always instituted. Before any information could be obtained, however, Mr. James Smith—of whom the broker had enquired—fancying that the absence of Burgess might be in connection

with the transaction alluded to, investigated the ledger, by which he found that £8200 had been sold from William Oxenford's account ; looked to the transfer, and discovered that the absentee had identified the seller ; examined the signature of the present sale with an authentic one of William Oxenford's, and saw that one bore no resemblance to the other. His suspicions were justified ; he informed the proper authorities ; Mr. Oxenford denied having sold ; and to Mr. James Smith the credit may be fairly assigned of this early discovery of a forgery which was alike remarkable for a breach of faith and a consummate contempt for the chances of detection, many of which had been ventured. Mr. Oxenford was known to several clerks of the corporation ; the character of Burgess was not quite unsullied ; and the man who personated the fundholder bore no likeness to him. When one of the gentlemen to whom Burgess applied concerning the sale casually mentioned that he had once known Mr. Oxenford, the remark that "he was an old friend," was the only reply ; and in a short time an accomplice, afterwards ascertained to be Joseph Elder, a horse dealer, was brought to personate Mr. Oxenford, without any apparent regard for consequences. The receipt was witnessed, the transfer effected, and a cheque received from the broker, with which they proceeded to the banker, and demanded gold. On being informed that, if they wished this, they must apply to the Bank, Elder coolly returned, requested

and procured gold to the amount of £8,000 ; and finding that he was not able to lift it, was assisted by two porters in carrying the proceeds of the robbery to his accomplice, who waited with a cab outside the building. They then proceeded to a public house in St. Martin's Lane, in which they hired a room, and transferred the gold to a portmanteau.

As there was little doubt that the confederates had gone to America, it was deemed necessary to send Forrester, accompanied by some one who could identify Burgess ; and Mr. Bord, a member of the department in which the forgery had been committed, was chosen for the important task. After great difficulty the defrauders were tracked to Liverpool ; from Liverpool they were traced to Boston, in America, where Forrester and his companion became satisfied that they were on the right path, but that the culprits had proceeded westward. It appears probable that Elder and Burgess were ignorant of the international league known as the Ashburton treaty, as, directly they were on the American soil, they began to enjoy themselves ; and, after investing their money in the Merchants' Bank, they proceeded to Buffalo, made a tour to the falls of Niagara, paid a flying visit to Canada, returning by a new route to Boston, where Burgess commenced building a residence, and became noted "for a peculiar partiality for raisins soaked in burning champagne, and other high notions, a taste for which he probably acquired," said the

Boston paper very innocently, "while he held the honourable post of clerk in the Bank of England."

From Boston the seekers went to Niagara, imagining but little that at the time of their arrival in Boston the fugitives were both there, and probably in one of the very hotels at which inquiry was made. Their visit westward, therefore, only produced a view of the fine cataracts of Niagara. They then returned to Boston, where, by this time, Burgess and Elder, who called themselves Uncle and Nephew, and passed by the name of Ellis, had attracted a certain degree of notoriety, and had obtained introduction to certain Americans of distinction, who were probably pleased by Burgess's aristocratic taste for raisins and champagne. Under these circumstances it was soon ascertained that Elder was residing at a boarding house, to which Mr. Bord went, accompanied by the police. On being informed that the culprit was out, they requested permission to wait, and in a short time Joseph Elder entered the house, came unsuspectingly up stairs, and was at once pointed out to the officers as the personator of William Oxenford. He was immediately conveyed to prison; and the next morning it was discovered that he had added to his previous crimes that of suicide.

The apprehension of Burgess was not quite so easy. From the hotel at Nahant, where he was residing, he must have seen the police approach, as he made his escape through the lower part of the house,

without a hat ; he then went to a Mr. Tarbox, in the neighbourhood, made some excuse for his unexpected and hatless appearance, requested him to procure his money and portmanteau from the hotel, and to bring them to him in a neighbouring field. The commission was only partially successful, as the officers, while searching every nook and corner of the neighbouring rocks, came across Mr. Tarbox with his booty, and compelled him to yield it to the authorities.

Not finding Mr. Tarbox at the place appointed, Burgess immediately went away, as he probably guessed to use the characteristic phrase of an American paper, that "the hounds of the law were after him." Every arrangement was made to secure his detection in the morning, and the events which marked his temporary escape were remarkable almost to romance. The officers were frequently near him ; he fell into a pig pen ; tumbled into the water ; sunk into the sand on the beach ; was on one side of a large rock, and heard the conversation of the officers, as they passed on the other ; was at last successful in detaching a boat from the steam wharf, and after being tossed about on the waves for six hours, throwing away the oars in despair, and yielding up all hope of escape, succeeded in landing on Light House Island, where he took refuge in the cottage of an Irishman, who, for 300 dollars, informed the police of his "whereabout." His interview with Forrester, when he gave himself up, was characteristic of the same contempt for consequences

which marked the beginning and end of the transaction ; and when, a short time afterwards, he was brought to England, and tried for his unprincipled breach of trust, his self-possession could scarcely be said to have forsaken him.

The greater part of the money—upwards of £7,000 —was obtained, from various sources. Mr. Bord, and his companion, had evinced great tact ; and the only result which occurred was in an order which prevented all clerks, excepting only principals and deputy principals, from identifying in the disgrace which stigmatised the culprit, in the misery he caused his friends, and in the general distrust which such transactions ever entail on the class to which the offender belongs. Whether it be a Bank clerk, or whether it be a banker—whether it be a Rowland Stephenson, or whether it be a William Burgess—the effect upon the great and unthinking mass of society is evil and mischievous.

The history of the railway mania of 1845 is not the least remarkable among those delusions which from time to time arise to throw aside legitimate trade, and paralyse national commerce. From 1842, discounts had been easy, and money plentiful. The funds maintained a high rate ; and low interest only could be obtained. In 1844 it was remarked that there had been a longer continuance of a plentiful supply of money than had occurred in the memory of the oldest capitalist. A desire to speculate grew out of these

circumstances. Unlike most periods, when this desire has been spread over many objects, it was concentrated on railways and railway schemes ; and England was seized with her ancient phrenzy. For some time it was legitimate, and confined within its proper boundary ; but the desire spread ; the contagion passed to all ; and, from the clerk to the capitalist, the fever reigned, uncontrollable and uncontrolled. Some portion of the press aided the mania. The subject was a capable one, and leading articles trumpeted the growing greatness of the train.

“ Railways are the triumph of a period of peace. They are the emblems of internal confidence and prosperity. They are the prophetic announcements of an open-eyed people to their neighbours, that they will not again waste their dearest action on the tented field, but exhibit and exert it in the mightier works of commerce.” The power of steam ; the humanizing influence of a close connexion between the refinements of the city and the requirements of the hamlet, were all eloquently announced. London was to receive the superfluities of the village ; the village was to be gladdened with the civilization of London. Railways were to cover the length and breadth of the land, and their complete development was only a question of time ; they were the advent of all that was desirable. “ Do the people want present employ ? Railways give it to hundreds of thousands at this moment. Is it desirable that the artizan or mere

labourer should at all times be able to transfer his skill or his strength to the place where he can most profitably employ either? Railways give the power to do so. Is it desirable that prices should be equalised generally through the country? Railways are the great levellers in this respect, bringing, as it were, the producer and the consumer into immediate contact. Are wastes to be reclaimed by labour and manure in places where neither can be found? Railways will carry both to the spot. By Railways the whole country may be, and under the blessing of Divine Providence will be, cultivated as a garden."

Invasion was no more to be feared, for every village would have its line, and the bold yeomanry of England would be carried to any place, and in scarcely any time, long before their aid could be required. The money would be spent in England, and, unlike the mining speculations, which carried it into distant parts, it would nourish the English population. Labour would be abundant. Wages would be plentiful. Trade would flourish by the circulation of capital, and the prosperity of the country be carried to an unimaginable extent. The railways were like "the bridge of gold which the generous Greek would have built to aid the escape of a flying enemy; they were the links which bring and bind friends together." They were to remain safe in the midst of panic, and though "times of pressure—severe, hazardous, ruinous pres-

sure—have been felt in this country, and unfortunately must be expected to be felt again; yet, when such a time of apprehension shall arrive, it will only prove them to be part and parcel of the genuine sources of wealth and avenues for labour, in which this country lives, and moves, and has its being."

The directors of the railways were formed of all classes, and of all conditions. Long lists of provisional committee men, with their residences and professions, were paraded in papers. The journals were increased in size to contain the numerous advertisements. The heat of India was no objection. The cold of Canada no preventive. Men who had mingled in the bubbles of 1825; men who were known and recognised as adventurous swindlers, but who had disappeared when no money was to be obtained, reappeared, to exercise their customary vocation. The environs of the Stock Exchange were crowded. The countess came down in her carriage, and hovered in a state of excitement round the doors of her broker. Grave and sober men dabbled in scrip. The literary man and the artist risked their well-earned money to procure a share of the profits. The youth of the empire sought to gratify expensive habits. The old man sought to indulge his *average*. The clergyman traded in "undeniable securities." The physician murmured of the broad and narrow gauge. The lawyer forsook his fee; the lady jeopardized her soft and gentle influ-

ences ; the matron forgot her children, and the maiden her embroidery ; in one universal pursuit. The railways formed the current theme of the time. Premiums and discounts were the topics of the day, and everything wore the same smiling appearance which, in 1823, had lured the people to destruction, and, as then, almost every thing came out at a profit. If they went to a discount, the company was abandoned, the whole of the expenses deducted from the deposits which were paid, the directors liberally rewarded, and the small remaining dividend returned. The names of the clergy on the lists of directors produced an opinion from the Bishop of Exeter, that for a clergymen to speculate in railways came under the denomination of "dealing for gain or profit," and this was against the statute. "As the statute only mentions dealing," remarked a contemporary, "and railway speculation involves shuffling, some of the reverend gentlemen maintain that they do not violate the act of Parliament."

The following is undoubtedly a faithful picture of the way in which many railways were established :

"A young gentleman need only look to a half-crown railway map, and search for a district tolerably clear of the rail. Taking two of the towns that form that open space, he draws a diagonal with his pencil, and thus creates a direct line. He then writes down the name of the company, his own name as "promoter," either alone, or with the names of as many

friends as he can venture to take that liberty with, or with any names, real or fictitious ; his own occupation, whether gentleman or esquire, engineer, artist, or solicitor, or clerk, or perfumer, or tailor, or M.A., or M.D., dissenting minister, his place of business, if he has one ; his place of residence, whether it be castle or hall, or in Berkeley Square, or rooms in Gray's Inn, or lodgings in the borough. In the course of his walk to the office in Serjeant's Inn, he may, if he pleases, remodel his company, changing every name in it, whether of place, or person, including himself. Arrived at the office, he invests a few sovereigns, begged, borrowed, or stolen, in fees, and enters his company. Advertisements and letters of allotment do the rest. It may, for any thing ~~thing~~ the registrar knows or cares, be straight across a mountain, a mile high, or straight across the arm of a sea, ten miles broad. It would be his duty to register a tunnel under the Atlantic ; and we are not quite sure that he would have the option of refusing a railroad to Jupiter, with extension to the other planets, and a short branch to the moon."

The prospectus was sure to promise all the advantages of all the world, perhaps to some small village which had hitherto been unable to support a coach once a week. The name of a local person of influence was obtained ; a meeting was called at the village inn ; speeches were uttered, which discoursed most

eloquent music in the ears of the villagers, for their property was to be improved, and their importance doubled. Propositions were carried that a railway was necessary ; the speeches appeared in the local journals ; were advertised in the London papers ; ten times the number of shares were applied for which were issued ; and when they arrived at a premium, the promoters, secretaries, and directors seized the golden opportunity, and the public came off second best. The socializing influences of the railway were descanted on. Directors dreamed of premiums, patronage, and pay. Men who were known to have been penniless a year before, suddenly kept their broughams or started barouches. Valuable diamonds gleamed from fingers which had hitherto been guiltless of the bright adornment. Railway papers and railway pantaloons, railway ties and railway tricks, abounded. It was a railway madness. London was to be tunnelled that the train might run beneath her mighty heart ; colonnades were to be formed in the air that the engine might pass over the path of the pedestrian ; and the Surrey Zoological garden was to have a direct line. The time for other vehicles had gone ; a new epoch had arrived ; and iron roads were to intersect the great city, to pass through the fruitful orchard, and to destroy the fertile field. The sanctities of the poet of the lakes were to be invaded, and the haunts of nature were to resound with the hiss of steam and the rush of carriages. The weekly

exponent of the follies of the times, which, beneath an exuberant fancy, veils a deep philosophy, suggested that there should be one great terminus for all the companies, and that that terminus should be a lunatic asylum. The system was fruitful; and every one said there was no risk. When shares were demanded of a company, and they only came out at par, the letter of allotment was put into the fire; if they arrived at a premium they were sold. Men without a shilling wrote for hundreds of shares. Journeymen mechanics styled themselves gentlemen, and signed deeds for thousands. The names of men well known in the city as swindlers, whose notorious character had banished them from the society of all good men, suddenly re-appeared on the lists of the proprietors and directors, their names graced by the cheap esquire, and their residences given in some far distant county.

Many of the prospectuses rivalled those of previous periods in grandiloquence. The lines were often recommended, not so much on account of their financial prospects, as they were for historical associations. One was "connected with the remarkable fact that, in the reign of Alfred the Great, the vicinity was the seat of an actual invasion by the Danes under Hubba;" while another gave a history of the battle of Hastings, and invited the public to subscribe for a reason which was only interesting from its connection with a period when railways were unknown.

The following is a further illustration of the schemes. “A flattering prospectus is issued, promising ten per cent., and perfect prosperity. Some secret agent of the directors is on the Stock Exchange, puffing up the shares. A price is named ; it is eagerly accepted by him ; the bargain is made ; and the price of the scrip established. The agents continue to buy ; the jobbers, calculating on plenty of scrip being in the market, are willing to sell on the liberal terms which the agent pays; and they enter into engagements to deliver a large quantity of scrip. When a sufficient number of shares are sold to satisfy the grasping avarice of the directors, they profess to consider the applications ; and it is announced that no more letters will be received, and that letters of allotment have been forwarded to the fortunate applicants, taking care, however, not to issue a tenth part of the number previously sold in the market. The letters applying for shares are burnt by bushels, without even the trouble of opening them ; and those who have sold at £5 a share cannot even buy at £10 or £15, if the consciences of the directors are sufficiently elastic to allow of so enormous a robbery.” This madness seized upon the peerage, both at home and abroad. “Prince de Joinville mounted a tender ; Lord F. Egerton sought to make a railway all by himself ; Earl Lonsdale bought one ; Lord Belhaven condescended to speak at meetings ; Lord Worsley even took the chair ; the Marquis of Ormonde trun-

dled a wheelbarrow in the presence of his admiring peasantry ; and Lord Wharncliffe, ‘high in the coun-cils of Her Majesty,’ cut turf on correct geometrical principles.”

Every one talked of making large fortunes, and very few realised them. Each day witnessed the advent of some new companies ; and ten times the quantity of shares were applied for than were to be issued. During the greater part of 1845, it is almost impossible to imagine the constant and exciting fever which was around. The absorption of scrip was astonishing. It was understood that a certain amount of responsibility rested on the signer of the deeds, and some, therefore, preferred to purchase in the market at a small premium. The desire of gambling was thus spread ; and those who at one time only thought of paying a small premium, and buying a small number, were led on by this terrible spirit to gamble far beyond their means. In many instances shares were purchased as investments, which would, in all probability, pay less than the interest receivable in the funds.

The tricks of the speculators were as frequent as ever. The daring genius which in 1825 had projected a Mining Company in the far west, which, in 1836, would skim the Dead Sea, or bore the Swiss mountains for asphalte, was equally ready, in 1845, to project railways for the prevailing fancy. There was no possibility of providing for the responsibility

of applicants for allotments. In vain the directors announced that no applications would be received without a respectable reference. Respectable references were easy, and the first nobility of the nation were appealed to by men without a shilling. They were also so numerous that it was impossible to ascertain their authenticity. Private property was invaded, and private gardens were measured with all the impudence of the craft. Gentlemen who had lived the best part of the century in their ancestral mansions, were threatened with the destruction of buildings, every nook of which was endeared by some old reminiscence. Fancies and feelings were alike disregarded ; it was the age of iron.

Grave divines uttered after-dinner speeches which were applauded to the echo, and reported in newspapers, until people began to think they were only doing their duty in subscribing. "From London to Edinburgh," said one, "from St. Petersburgh to Moscow, from Brussels to Cologne, the railway is spreading, carrying civilization and Christianity in its train, and making all the people of the world as one united family." The newspapers realised fortunes by the advertisements. Half-a-dozen competing railroads were announced to go over the same ground ; and though only one could obtain success, they were all at a premium. The same person was director of thirty different railways, under various descriptions. The rumour of the amalgamation of a projected with

an established line sent the former up to an increased premium; while the report that the "Railway King" was negotiating with an embryo company, added enormously to the value of its shares. In one, called the Great Western of Canada, which was issued at £3 10s. premium, it was stated that out of this only £1 15s. could be returned, as ten thousand shares had been divided among the Stock Exchange, for the purpose of interesting the members. "In schemes," said the "Chronicle," "where as many as 30,000 shares have been advertised, not more than 15,000 have been allotted to the public, the remainder being reserved, part of them for property on the line, part for the provisional committee and officers. In this way a scarcity of scrip was created, and the shares rose to a premium. When the price was thus forced up to a point supposed to be worth realizing, the reserved shares were sold, and the proceeds divided among the committee." In one case three millions of shares were applied for, where not one hundred thousand could be allotted.

Until the middle of October, 1845, the excitement continued, and the city article of the "Times" reported that the share market was good, with a large extent of business. The course of that paper during the fear and fright which followed will be faithfully pursued, because there can be little doubt that the panic was greatly hastened, if not absolutely caused, by its earnestness of purpose. Its leading articles

were like a succession of hand grenades thrown into a camp during a triumphal feast. The nation was still in its delirium ; they projected without counting the cost ; they laughed at warning, and defied opposition. On Tuesday, the 14th of October, a leading article appeared, which, after calculating the income and the accumulations of the country, entered calmly but closely into the investigation of railway schemes, and concluded by demanding. “ Whence, then, are the hands to come for the railroads already authorized, staked out, and contracted for ? As for the nine or ten thousands of miles of new projects, the three or four hundreds of millions they demand, and the whole population of skilled and unskilled Englishmen they would require, they are at present no more than a dream, the greater part of which must vanish into thin air long before they can become the sport of counsel and the victims of committees. In vain their long lists of directors, in vain the mutual support which men of straw in every age have been so ready to afford. Could we find in the pompous catalogues which adorn the columns of the public press any good show of substantial names, we might at least distrust our own anticipations. It is the simpler part of the public which is deceived ; and, at the risk of offence, we think it our duty to take what steps we can to warn them of the day when the bubbles must burst and collapse.” On the following day the directors and provisional committee-men were warned of

their responsibility, and the bold assertion made that "many of the schemes were based on fraud." The public began to wonder, and men looked anxiously about them. Money grew scarce, and thirty and forty per cent. was offered on the security of scrip, but refused. The appearance was ominous. On Thursday, the 17th of October, a notice was issued by the Bank that the minimum rate of interest would be three per cent., and this advance caused general satisfaction among the disinterested. The "*Times*" continued its progressive warnings. On the 17th of October, a correspondent wrote that among the directors of the new railways "there were some most notorious scamps, alias swindlers, who never possessed a penny in the world, and never could or would have possessed one, save what might arise from their infamous designs." Another added, "nothing seems to come amiss to them ; north, south, east, and west, the Mauritius, West Indies, French, Spanish, Italian, their enormous appetite hath stomach for them all." By Friday, the 18th, these masterly exposures, and the advance in the rate of interest, checked the progress, and produced a general gloom.

The alarm had now fairly seized the speculators, who vented their spleen in decrying the "*Times*," and in abusing the Bank. The prices of all shares fell in value. In vain the holders agreed that an advance in the Bank rate of one-half per cent. ought not to affect those who were willing to pay twenty or

thirty per cent. for accommodation ; that railroads were as good as they ever were ; and that there was no just cause for their falling. In vain they asserted that the journal which had so evidently stopped their career was not free from pecuniary views ; the voice of the “Times” spoke the voice of the disinterested, and a “voice potential double as the Times,” the voice of truth, asserted to all intelligent listeners that the “madness which had method in it” had passed away, and that panic and peril awaited the dealers. In vain meetings were held, and promoters and provisional committee-men pledged themselves to punish the “Times,” by sending no more advertisements to it: the danger of their position was evident; and many holders of scrip were prepared to escape, at almost any sacrifice.

The higher the premiums, the more eager were the purchasers before the bubble burst, and then, the lower the price fell, the more anxious were they to dispose of their property, thus rendering the value ten times less than it might otherwise have been. So great a fright had seized upon the unhappy speculators, that the very men who boasted of realising thousands, were urgent in offering large premiums to any person who would relieve them of the responsibility. The warning which had been given at an earlier period was fulfilled. “When the crash comes, as come it soon inevitably will, it may not be the scrip holder alone that will be involved in ruin, but

provisional committee-men, who had congratulated themselves on their skilful execution of the manœuvre of ‘getting out,’ may find themselves still ‘in,’ to an extent which they never expected.” The earnestness of the railway papers to prove that there could be no difficulty in paying the deposits was almost amusing. It was placed with the utmost ingenuity in all forms and phases ; and it was remarked that the effort reminded of the Indian fable of the creation of the world, that the globe rests first on an elephant, and the elephant on a tortoise ; but when the Brahmins are asked what the last rests on, there is no reply. An open swindling had been adopted ; and one of the most significant signs of the times was in constant advertisements offering for sale the instruments of engineers. The following clever but infamous scheme was successfully pursued.

Twelve “leading men” in the city brought out a project for a railway. The deposit was trifling, but their standing enabled them to demand a heavy premium. They cleared by this £25,000 a piece, and shortly afterwards sent round a circular, stating that unforeseen engineering difficulties rendered the abandonment of the scheme necessary, and, with a trifling per centage deducted for expenses, the deposits, not the premiums, were returned. An endeavour at the time to establish the truth of this produced the reply, “It is likely to be true of so many that it will be useless to fix it upon any particular company.”

The panic continued, and the "Times" continued its startling warnings with a tone that must have penetrated the hearts of those who had unhappily consented to become directors or provisional committee men. "It is quite impossible that men who have been notoriously little better than swindlers all their lives, should have become suddenly honest by being chosen members of a provisional committee. Doubtful characters do occasionally get smuggled into the direction of reputable companies, but it is utterly impossible that those schemes can be soundly constituted which allow the almost indiscriminate admission of men of straw, of uncertificated bankrupts, and recently discharged insolvents." "Can twenty millions of money," wrote the "Banker's Magazine," "be withdrawn annually from circulation without interfering with the necessary business of the country?"

These things produced their natural results. The evil commenced to abate; and it was announced on the 24th of October, a little more than a week after the first alarm had been sounded, that "should the depression continue, the alleys in the neighbourhood of the Stock Exchange will be speedily cleared of the horde of petty gamblers and letter dealers that at present infest those localities. It will be some satisfaction to the public to know that there is every prospect of the clearance of this nuisance being shortly accomplished." The fluctuations in the periodical returns of the Bank were eagerly watched; and each week the

apparent impossibility of paying up the deposits was confirmed. It was what has since been finely termed “the rushing mania of a nation.”

But the evil spread to the innocent. Those who had pursued their legitimate calling found some difficulty in collecting their money from those who had been engaged in railways ; and wholesale houses directed their travellers “to enquire how their customers stood in the share market, and to press them accordingly.”

Of this prevailing madness, however, the evil effects remained long after the hope had departed. Many men of character, who had worked hard for the independence they had gained, had consented in an evil hour to join the committees of projected companies ; in the height of their delusion they talked of large profits, made extensive purchases, and lived in a costly style ; but they soon found out that they were liable for their individual risk, and many were compelled to sell their property at a sacrifice, and fly to a foreign soil from their relentless creditors. As an evidence of the thoughtlessness of the period, a line, known as the Oxford and Wolverhampton, on which $3\frac{1}{2}$ per cent. was guaranteed by the trunk line, reached a high premium ; the same line has now 4 per cent. guaranteed, but is at 10 discount. In one instance, a person who had stepped out of his legitimate path to speculate in these securities, was paying 200 per cent. in the Stock Exchange at the very time that his bills were being taken at $3\frac{1}{2}$ per cent. in the discount market.

By the arrangements of the Board of Trade, the plans, sections, and documents of those companies which were anxious to forward their appearance before the Railway committee, were to be lodged by the 30th of November. There was no time to be lost, and artists and artizans alike reaped a golden harvest. It is almost impossible to imagine the hurry and eagerness displayed by the promoters of the various lines. Draughtsmen were enticed from the continent by the hope of high wages and continued occupation. Youths not out of their servitude were employed on important works. The Sabbath was desecrated ; engravers worked without resting until exhausted nature demanded her tribute, and they snatched a hasty repose. The most extravagant pay was granted to surveyors and engineers ; the merest novices received employment, and all regular business was abandoned. Tricks of all sorts were played ; and in one instance the whole of the type and stock-in-trade of a printer was purchased by one company to prevent its rival from publishing an important document, by a particular period. The *ruse* was successful, and the document behind its time.

On the last day allotted for the reception of the plans, a scene was witnessed which must have astonished the officials at the Board of Trade. As the time approached an anxiety which passes belief was evinced. Higher wages were paid to those who could or would work in preparing the plans. Some con-

tracts were abandoned from the impossibility of fulfilling them. Night after night witnessed the earnest workman still snatching a brief repose for an hour or two that he might resume his labours with greater energy. Post horses were in demand. Special trains brought plans from all parts of England. Railway companies refused trains which would assist opposition projects ; and the exertion made to lodge those which were ready, is almost imcalculable. The clerks were overwhelmed with them ; and though an additional number of those gentlemen were employed, it was impossible to keep pace with the incessant arrivals. The place became crowded. The last hour was approaching. An alarm seized on all that the necessary forms would not be gone through in time. The clock struck, and the doors were closing, when a gentleman, with the plans of a proposed railway for Surrey, rushed in and succeeded in lodging his charge. The doors were then closed, and in a short time, a post chaise, with foaming steeds, galloped up to the entrance. Down the passage, and towards the office rushed the three occupants, with their cherished papers. The door was shut ; but railway persons deemed themselves privileged, and the bell was loudly rung. The unsuspecting inspector of police answered the ring ; and the huge documents were thrown in at a venture, but were again thrown into the street. Many were too late for the appointed hour. The labour of anxious days and weary nights,

the results of plotting heads and crafty brains, were rejected.

Thus ended the wild excitement of a period within the memory of all. It is another evidence of the truth of Mr. Jones Loyd's assertion that these events occur in cycles; it is another proof that no warning can save a people determined to grow suddenly rich. The delusion passed; but the effects remained. Business was long paralysed. The small trader who had neglected his calling was ruined. The merchant who had embarked in the adventurous speculations found to his cost that the reckoning was yet to come. The deposits were to be met, and many possessed no money wherewith to pay them. They had embarked in engagements which they could not fulfil, and a fearful prospect awaited them. Notwithstanding the wholesale manner in which the new lines were rejected, contracts for a certain amount of work, involving the outlay of a proportionate capital, were entered into by the conductors of various railroads. The deposits have yet to be paid. The question has yet to be decided whether the surplus resources of the country will be sufficient to meet them, and on that doubtful question rests the welfare of the nation until the last call of the last railway has been fulfilled. It is to be feared, to use the homely illustration of Benjamin Franklin, that Great Britain must yet "pay for her whistle."

It was a somewhat curious circumstance that the

first half year the Bank were able to shorten the shuttings was at a period when the monetary interest required it most urgently. The following, from the "Times," is a satisfactory proof that the service was publicly appreciated: "Much credit is due to the directors of the Bank for the arrangements made to shorten the period during which the books are to be closed against transfers of stock. Last year the shutting day was the 3rd of September, but the approaching shutting day is not till the 10th of December. At all times an additional week for public transfers is valuable, but is most particularly so at present. There has not occurred for many years a period for closing the Bank books against transfers which has been regarded with so much anxiety."

The events which have transpired since the conclusion of the above history, the extraordinary insolvencies of 1847, the periodical panic, and periodical vituperation of the Bank, the permission to relax the stringency of the charter, the senatorial discussions and senatorial opinions, are reserved for a future edition or a future volume. The history of the Bank of England from 1846 promises to equal, if not surpass, in interest and importance, anything which has hitherto been related.

CHAPTER IX.

TRADITIONS CONCERNING THE BANK—STOLEN NOTES—STRATAGEM OF THE DUC DE CHOISEUL—LOST NOTE—DESCRIPTION OF THE BANK—WEIGHING MACHINE—INTERNAL ARRANGEMENTS.

IN the history of an establishment which for more than a century has veiled its transactions with an almost jealous secrecy, many occurrences have taken place, which are now only known by the dim light of tradition. The periodicals of the time are replete with remarkable events, some of which are often related with a circumstance and a verisimilitude arising either from being founded on fact, or from a deliberate deception for which there is no adequate cause. Great trouble has been taken to verify those which are now presented to the reader's notice, and though the effort has been futile, yet where it has been found practicable to test, upon other subjects, the source from which they have been derived, it has always proved correct; and this is strong

though indirect evidence of their truth. The following are most worthy relation :

The principal clerk of one of the bankers having robbed his employer of Bank of England notes to the amount of twenty thousand pounds, made his escape to Holland. Unable to present them himself, he sold them to a Jew. The price which he received does not appear ; but there is no doubt that, under the circumstances, a good bargain was made by the purchaser. In the mean time every plan was exhausted to give publicity to the loss. The numbers of the notes were advertised in the papers, with a request that they might be refused ; and for about six months no information was received of the lost property. At the end of that period, the Jew appeared with the whole of his spoil, and demanded payment, which was at once refused, on the plea that the bills had been stolen, and that payment had been stopped.

The owner insisted upon gold, and the Bank persisted in refusing. But the Jew was an energetic man, and was aware of the credit of the Corporation ; he was known to be possessed of immense wealth ; and he went deliberately to the Exchange, where, to the assembled merchants of London, in the presence of her citizens, he related publicly that the Bank had refused to honour their own bills for twenty thousand pounds ; that their credit was gone ; their affairs in confusion ; and that they had stopped payment. The Exchange wore every appearance of

alarm ; the Hebrew showed the notes to corroborate his assertion. He declared that they had been remitted to him from Holland ; and as his transactions were known to be extensive, there appeared every reason to credit his statement. He then avowed his intention of advertising this refusal of the Bank ; and the citizens thought there must be some truth in his bold announcement.

Information reached the directors, who grew anxious, and a messenger was sent to inform the holder that he might receive cash in exchange for the notes. "In any other country," says the person who relates this tradition, "the Jew would have been tried as a calumniator ; but in England, the Bank, the soul of the state, would have lost the cause. The law could not hinder the holder of the notes from interpreting the refusal that was made of payment according to his fancy ; nothing could prevent him from saying that he believed the excuse was only a pretext to gain time ; and though intelligent people would not credit the story, the majority would have been alarmed, and would not have taken their notes for cash. In short, the Jew was acquainted with the nation and its laws, and he gained his point." It must also be remembered that at so early a period the reputation of the company was not so firmly established as at the present time.

Among the many runs upon the Bank which have been recorded, the following is not the least remark-

able. The Duc De Choiseul, during the American war, hazarded a project, which, had it been successful, would have injured the credit of the establishment, and, for a period, destroyed the energies of the nation. Aware of the importance of this corporation to the state, and that Great Britain owed her success in war partially to the Bank, he conceived the idea of using all the efforts of France to destroy the power of the company, trusting that a triumphal close to the contest between the two countries might be produced. Some millions of livres added to the zeal of the French emissaries, who discovered a period when the bullion was somewhat low, and spread reports calculated to injure the reputation of the Corporation. Collecting all the notes which they could possibly procure, they poured them into the Bank, and carried away the gold with a parade which attracted the attention it sought. The old cry arose of a run upon the Bank, and in a few hours the whole city was in motion. Volumes of paper were presented, and gold received in exchange. The consternation of the directors was in proportion to the suddenness of the attack. The alarm, far from being quieted, became every day more general. Post chaises poured in from the provinces. The application for specie became more urgent. There was no mode of judging to what extent an attempt so unprecedented and so unexpected might be carried. The efforts of the national enemy seemed prospering, and for some days England appeared to be upon the brink

of the greatest evil which could happen. Time was necessary to collect specie, and people were employed day and night to coin money. All the gold which by any stratagem could be gathered was brought into the Bank. The method of paying by weight was discontinued. The sums claimed were delivered with greater deliberation ; and the money placed guinea by guinea upon the table. For nine days this fever continued ; but the method adopted by the directors, with concurrent circumstances, gave time for the production of a large supply of gold. All the demands were met ; the claimants finding there was no cause for doubt resumed their confidence in the Bank, and the scheme of the Duc de Choiseul proved ineffectual.

An extraordinary affair happened about the year 1740. One of the directors, a very rich man, had occasion for £30,000, which he was to pay as the price of an estate he had just bought ; to facilitate the matter, he carried the sum with him to the Bank, and obtained for it a Bank note. On his return home, he was suddenly called out upon particular business ; he threw the note carelessly on the chimney, but when he came back a few minutes afterwards to lock it up, it was not to be found. No one had entered the room ; he could not therefore suspect any person. At last, after much ineffectual search, he was persuaded that it had fallen from the chimney into the fire. The director went to acquaint his colleagues with the misfortune that had happened

to him; and as he was known to be a perfectly honourable man he was readily believed. It was only about four-and-twenty hours from the time that he had deposited his money; they thought, therefore, that it would be hard to refuse his request for a second bill. He received it upon giving an obligation to restore the first bill, if it should ever be found, or to pay the money himself, if it should be presented by any stranger. About thirty years afterwards (the director having been long dead, and his heirs in possession of his fortune), an unknown person presented the lost bill at the Bank, and demanded payment. It was in vain that they mentioned to this person the transaction by which that bill was annulled; he would not listen to it; he maintained that it had come to him from abroad, and insisted upon immediate payment. The note was payable to bearer; and the thirty thousand pounds were paid him. The heirs of the director would not listen to any demands of restitution; and the Bank was obliged to sustain the loss. It was discovered afterwards that an architect having purchased the director's house, had taken it down, in order to build another upon the same spot, had found the note in a crevice of the chimney, and made his discovery an engine for robbing the Bank.

The interior arrangements of the Bank of England are not the least remarkable part of its economy. The citizen who passes it on his way to his counting-house;

the merchant who considers it as an edifice where he gets his bills discounted or lodges his bullion for security; and the banker who regards it in his daily visits only as a place to issue the various notices that interest him, look on it with an indifferent eye. Even to the stranger its external appearance is almost lost, in contemplating the nobler structure which looks down upon it. But to visit its various offices, to enter into the mode in which its affairs are conducted, and to witness the almost unerring regularity of its transactions, cannot fail to excite admiration. Within that building, occupying a few feet less than three acres, is the remarkable regularity and precision which has procurred from statesmen and political economists, from merchants and from bankers, the highest and most complimentary eulogiums. In its management all that capital can command, or intellect devise, is introduced. The machinery of Manchester, on a small scale, may here be witnessed. The steam engine performs its work with an intelligence almost human, as by it the notes are printed, and the numbers registered, to guard against fraud. When the spectator posses from building to building, and marks each place devoted to its separate uses, yet all of them links in one chain, he cannot fail to be affected with the grandeur of that body which can command so extensive a service.

The most interesting place connected with the machinery of the Bank is the weighing office, which

was established a few years ago. In consequence of a late proclamation concerning the gold circulation, it became very desirable to obtain the most minute accuracy, as coins of doubtful weight were plentifully offered. Many complaints were made that sovereigns which had been issued from one office were refused at another; and though these assertions were not, perhaps, always founded on truth, yet it is indisputable that the evil occasionally occurred. Every effort was made by the directors to remedy this, some millions of sovereigns being weighed separately, and the light coins divided from those which were full weight. Fortunately the Governor for the time being, before whom the complaints principally came, had devoted his thoughts to scientific pursuits and he at once turned his attention to discover the causes which operated to prevent the attainment of a just weight. In this he was successful; and the result of his enquiry was a machine remarkable for an almost elegant simplicity. About eighty or one hundred light and heavy sovereigns are placed indiscriminately in a round tube; as they descend on the machinery beneath, those which are light receive a slight touch, and this moves them into their proper receptacle, while those which are the legitimate weight pass into their appointed place. The light coins are then defaced by the sovereign-cutting machine, observable alike for its accuracy and rapidity. By this 200 may be defaced in one minute, and by the

weighing machinery 35,000 may be weighed in one day.*

It has been stated in a previous part of these volumes that the first stone of the original building was laid in 1732, that the edifice was finished in 1734, and that this comprised the centre of the present building, which is of the Ionic order, and occupied the space previously employed by the house and gardens of Sir John Houblon, the first governor. The design was by Mr. George Sampson; the fabric was raised under his superintendence; the front was of stone, and the principal offices were formed of wood. As the importance of the Corporation increased, the building became enlarged, and between 1770 and 1786, the wings were erected, under the direction of Sir Robert Taylor, the design being taken by him from a small building in the Belvidere Gardens, at Rome. The columns are of the Corinthian style, arranged in pairs along the front, supporting at each end a pediment and a balustraded entablature between, with arched recesses in the place of windows. The remainder of the building was erected principally by one who has left the evidences of a cultivated mind and a pure taste in many public buildings. On the death of Sir Robert Taylor, in 1788, the office of

* An eminent member of the Royal Society mentioned to the writer that amongst scientific men it is a question whether the weighing machine of Mr. Cotton is not the finest thing in Mechanics, and that there is only one other invention, the envelope folding machine of De la Rue, to be named with it.

the architect of the Bank became vacant, and Mr. Soane was appointed to the post of honour. "It opened," says the writer of the Illustrations of the Public Buildings of the Metropolis, "a wide field for his fancy and talents; for the buildings of the Bank were at that time limited in extent, inconvenient in many essential parts, and were also ungracious in architectural character. Unlike his predecessors, Mr. Sampson and Sir Robert Taylor, Mr. Soane commenced his operations by making an elaborate ground plan of the whole range of offices, and another plan showing a design for erecting a new edifice, to be progressively executed, without interrupting the necessary and extensive business of this great national establishment." In 1780 the directors, alarmed at the dangerous facility which the adjacent church of St. Christopher le Stocks gave to any mob possessed of the slightest military skill, entered into a negotiation with the rector. Two acts of Parliament had been passed to enable them to purchase ground adjoining their establishment, and by another act the glebe land, the parsonages, &c., belonging to the rector of St. Christopher le Stocks, were vested in the governor and company. The rotunda was built in 1795 by Sir John Soane, and shortly afterwards application was made to Parliament for extending the Lothbury front westward, and connecting the whole of the offices then built, with those proposed to be erected, to give the exterior an uniform appearance.

The notice which the designs by Sir John Soane attracted, must be in the memory of many, as, from the novelty of the arrangement and the style of architecture, they were altogether new to the critics and *conoscenti* of the day.

The principal entrance to the Bank is from Threadneedle Street, opening by a large arched gateway into a quadrangular paved court, with which all the leading communications are connected. Prior to the improvements by Sir John Soane, many of the offices between which a close connection was desirable were far apart, and inconveniently situated for business. The governor and directors being anxious to remedy this evil, consulted their architect, who arranged the offices into one uniform plan, to which he proposed that all future additions or alterations should be made subservient. Under his direction a line of communication was opened through the interior from north to south.

The pay hall, which fronts the main entrance, is a part of the original building by Sampson, measuring seventy-nine feet in length and forty in breadth; and at the eastern end is the statue of the founder of the Bank. In allusion to this place, the Baron Dupin says, in his "Commercial power of Great Britain," "The administration of a French bureau, with all its inaccessibilities, would be startled at the view of this hall."

The bullion office is only remarkable for the vast

store of treasure which it occasionally contains. “I understand the bullion office,” said a witness before the bullion committee, in 1810, “to have been instituted merely for the purpose of accommodation and safety between merchant and merchant, as a place of deposit; it used formerly to be called the warehouse.” It is exclusively devoted to the receipt and deposit of bullion; any person may send gold to this office as a place of safety, without incurring any charge unless it be weighed, when a small per centage is demanded. It formed part of the structure by Mr. Sampson, was altered by Sir Robert Taylor, and still further improved by Sir John Soane, on his accession to the office of architect.

The court room is a noble apartment, by Sir Robert Taylor, of the composite order, about sixty feet long and thirty-one feet six inches wide, with large Venetian windows on the south, overlooking that which was formerly the church yard of St. Christopher. The north side is remarkable for three exquisite chimney pieces of statuary marble, the centre being the most magnificent. The east and west are distinguished by columns detached from the walls, supporting beautiful arches, which again support a ceiling rich with ornament. The west leads by folding doors to an elegant octagonal committee room, with a fine marble chimney piece. The governor’s room is square, with various paintings, one of which is a portrait of William III. in armour, an inter-

sected ceiling, and semi-circular windows. This chimney piece is also of statuary marble ; and on the wall is a fine painting by Marlow of the Bank, Bank Buildings Cornhill, and Royal Exchange. An ante-room contains portraits of Mr. Abraham Newland and Mr. Daniel Race, cashiers, taken as a testimony of the approbation of the directors. In the waiting room are two busts, by Nollekens, of Charles James Fox and William Pitt. The original rotunda, by Sir Robert Taylor, was roofed in with timber ; but when a survey was made, in 1794, it was found advisable to take it down ; and, in the ensuing year, the present rotunda was built, under the superintendance of Mr. Soane. It measures fifty-seven feet in diameter, and about the same in height to the lower part of the lantern. It is formed of incombustible materials, as are all the offices erected under the care of Sir John Soane. For many years this place was a scene of constant confusion, caused by the presence of stockbrokers and jobbers. In 1838, this annoyance was abolished, the occupants were ejected, and the space employed in cashing the dividend warrants of the fundholders. The offices appropriated to the management of the various stocks, are all close to or branch out from the rotunda. The dividends are paid in two rooms devoted to that purpose, and the transfers are kept separate ; they are arranged in books under the various letters of the alphabet, containing the names of the proprietors, and the particulars of their

property. Some of the stock offices were originally constructed by Sir Robert Taylor, but it has been found necessary to make great alterations, and most of them are designed from some classical model ; thus the three per cent. consol office, which, however, was built by Mr. Soane, is taken from the ancient Roman baths, and is eighty-nine feet nine inches in length and fifty feet in breadth. The chief cashier's office, an elegant and spacious apartment, is built after the style of the Temple of the Sun and Moon, at Rome, and measures forty-five feet by thirty.

The fine court, which leads into Lothbury, presents a magnificent display of Roman and Grecian architecture. The buildings on the east and west sides are nearly hidden by open screens of stone, consisting of a lofty entablature, surmounted by vases, and resting on columns of the Corinthian order, the bases of which are on a double flight of steps. This part of the edifice was copied from the beautiful temple of the Sybils, near Tivoli. A noble arch, after the model of the triumphal arch of Constantine, at Rome, forms the entrance into the bullion yard. The entablature rests on fluted Corinthian columns, supporting statues, which indicate the four quarters of the globe. The intercolumniations are ornamented by allegories representing the Thames and the Ganges, executed by Thomas Banks, academician, the roses on the vaulting of the arch being copied from the Temple of Mars the Avenger at Rome. On the

death of Sir John Soane, Mr. Cockerell was chosen to succeed him in his important position. The style of this gentleman in the office he designed for the payment of the dividend warrants, now employed as the private drawing office, is very different to the erections of his predecessor. The taste which produced the elaborate and exquisite ornaments in this room is in strong contrast to the severe simplicity of the works of Sir John Soane.

The new machinery for printing the notes, which was introduced by Mr. Oldham—the invention of whom has been employed by the Austrian and Irish, no less than by the English Bank—is well worthy of a visit, but would be uninteresting to delineate. Its effect may be described in the assertion that the power formerly employed by the mechanic in pulling a note is now exerted by the steam engine. The machines by which the Bank notes are numbered on the dexter and the sinister halves, each bearing the same figures, have been used in the establishment for nearly fifty years, and are the patents of Bramah and Co. The principle, like every other intricacy when it is explained, is very simple, and may be summed up in the words that, as soon as a note is printed, and the handle reversed to take it out and put another in its place, a steel spring, which is attached to the handle, alters the number to that which should follow. The whole of the printing of the Bank is executed within its walls;

the ruling machines are the simple ones generally in use ; the presses are those invented by Cowper, and are so well known that no description is required.

By the appendix it may be seen that the Bank commenced business with fifty-four assistants, the salaries of whom amounted to £4350. The total number employed at present is upwards of nine hundred, and their salaries exceed £210,000.

The curiosities of the Bank are few. It possesses, however, a collection of ancient coins, which, with the exceptions of those of the British Museum and of Paris, is perhaps the finest in Europe. Visitors are occasionally shown some notes for large amounts, which have passed between the Bank and government ; but to the antiquary there are not many attractive objects.

In the early history of the establishment any person in possession of a Bank note might demand only part of its amount, and the same plan might be resorted to with the same note until the whole of the sum due upon it was absorbed. Some of these are still shown ; on the last which came in there was only sixpence to receive.

The following is principally derived from the report of the Committee of the House of Commons, and is given almost verbatim.

The supreme management of the Bank is vested in the whole Court of Directors, which meets weekly, when a statement is read of the position of the Bank in its securities, bullion, and liabilities. The directors

have equal power, and should a majority disapprove of the arrangement, they might re-construct it. Eight of them go out and eight come in annually, elected by the court of proprietors; and the system on which the affairs of the Bank are conducted is of course liable to change, as new directors may exert their individual influence on it. A list of candidates is transmitted to the court of proprietors, and the eight so recommended uniformly come in. Quakers and Hebrews are not eligible; although many are so well versed in monetary matters. When an individual is proposed as a new director, enquiry is always instituted concerning his private character.

The qualification is the possession of Bank Stock to the amount of £2000, of the deputy-governor £3000, and of the governor £4000. For many years the directors have adhered to the practice of possessing only the amount of qualification; and when the twenty-five per cent. bonus on stock was given to the proprietors, they merely retained their previous amount. They are responsible for the management of the affairs of the Bank, and penalties attach to their conduct, individually or collectively, upon certain occasions. But by the charter they are not responsible for the management of the monetary department to government; and the whole security which the public have for that management depends on their discretion, subject to the new charter.

If the mode of choosing and electing directors be

wrong, it is in the power of the proprietors to change it ; but in Mr. George Grote's opinion, it would be most difficult to devise a better method. "House lists" are common in many institutions ; and it has long been thought that the present method is better for the public than any other. Although, strictly speaking, the directors are the sworn servants of their constituents, their duty to the Bank is always regulated, to a certain degree, by the demands of the country. "It has happened to us," said Mr. Richards, "to feel it our duty to our proprietors to postpone their interests, in order to effect some important good to the public at large, in which their interest might be mixed up ; it has not been the practice of the Bank to sacrifice the wishes and expectations of the public merely to a dry consideration of the interests of the proprietors, because they are so blended that it is hardly possible to keep them distinct." Mr. Loyd thinks the limitation of the right of election exclusively to proprietors of stock, is open to objection, but not sufficiently so to justify any alterations.

Many persons consider that if the present system with reference to the private deposits in the Bank were extended, it would prove beneficial to the traders of London. This consideration has induced the Bank to offer the usual facilities for obtaining advances which are afforded by private bankers to their customers. There is every reason for its employment

as a bank of deposit, and most especially in the feeling of additional security. The want of confidence in the private bankers, produced by their failures, has caused a great increase of deposits in the Bank of England since 1825. The directors have not had the power of acting upon any fixed system till a late period, in consequence of a variety of circumstances that existed prior to that time. For instance, from 1819 to 1822, the Bank had to prepare for cash payments, and to contend with the conflicting character of the circulation of the country and London, governed as the country then was by a small note circulation. While that circulation existed the Bank was liable to a great sudden demand.

In the two last months of the year 1825, the demand upon the Bank was nearly two millions and a half sterling for the support of the country circulation, when the exchanges were nearly at par, which placed the Bank in a peculiar state of difficulty. The whole embarrassment of that period, with regard to bullion, arose from the magnitude of the demand, which was made almost entirely for the purpose of upholding the small note circulation. The holders of that paper were the lower orders of the people, whose fears are extensively acted upon in times of distrust; and there having been no exchange for one-pound notes but the sovereign, the demand upon the Bank became inevitable. At that period the London bankers also pressed very much for gold, but they served merely as the channel

through which the supply was sent to the country. Since the circulation of the one-pound notes has ceased, the occasional excessive demand has been obviated.

Whenever there is a deficient capital at home, for the purchase of silver, the Bank may, with advantage to the country, preserve the gold by the exportation of silver, and by purchasing with it the excess of bills upon England in the foreign market. The operation is conducted with secrecy, but with the full concurrence of the whole court of directors ; and in making such a use of their silver, their sole object is to protect the gold, which, in times of an unfavourable exchange, has a tendency to leave the country.

The governor or deputy-governor, one of whom is always supposed to be in the house, assisted by a select committee of three directors, conducts the daily business, in the intervals between the sittings of the court. The treasury committee consist of the governor and deputy-governor, the directors who have passed the chair, and the gentleman next in rotation for the deputy-governorship. The bullion is purchased by the governor, who considers he has no power to refuse the issue of notes in return for gold bullion, as a paper currency, founded upon gold, is the main object of the institution. He does not regulate the price of bullion, which is bought at £3 17s. 9d., and sold at £3 17s. 10½d. It was formerly at £3 17s. 6d. ; but government considered this too low, and suggested the existing price.

When gold coin is demanded in large quantities, it may be delivered in bags to almost any amount in the course of a day. But the largest amount that can be paid in one day by about twenty-five clerks, if counted by hand to the public, would be about £50,000. When large sums are applied for by bankers or others, the practice of the tellers is to count twenty-five sovereigns, and put them into one scale, then to count twenty-five more, and put them into the other scale ; and if the accuracy of the scales be proved by their balancing, the sum is increased in each scale by counting to two hundred. The balance is again tested, and, if found exact, one of the scales is emptied, and the two hundred sovereigns in the other serve as a weight the whole day for the delivery, without further counting, of sums divisible into two hundred. In this way, a thousand sovereigns can be delivered in a few minutes ; and upwards of £300,000 were paid to bankers and others on the 14th of May, 1832.

The amount of £500, which entitles to a vote, must have been in the name of the proprietor for more than six calendar months.

The chapter with which these volumes conclude might have been increased to an almost indefinite extent. A brief sketch, however, of the building, machinery, and action of the Corporation, is all that the writer deems necessary to accompany the present history of the origin and progress of the Bank of England.



APPENDIX.



A P P E N D I X.

A

SH O R T A C C O U N T

OF THE

B A N K O F E N G L A N D.*

HERETOFORE PUBLISHED BY MICHAEL GODFREY, ESQ.,
DECEASED, AND NOW REPRINTED.

Considering the variety of opinions concerning the Bank, it may be thought a service to the publick to give the following account of it, whereby 'twill appear that the Bank, notwithstanding all the cavils which the wit and malice of its opponents have raised, is one of the best establishments that ever was made for the good of the kingdom; for how plausible soever their objections may seem, 'tis manifest they proceed in some from aversion to the government, in others from prejudice, false insinuations, or mistaken notions, but in most from self-interest.

The Bank is a society consisting of about 1300 persons, who having subscribed £1,200,000 pursuant to an act of parliament, are incorporated by the name of the governor and company of the Bank of England, and have a fund of £100,000 per annum granted them, redeemable after eleven years, upon one year's notice, which £1,200,000 they have paid into the Exchequer by such payments as the public occasion required, and most of it long before the money could have been demanded.

* Reprinted from a rare pamphlet published in 1695, by Michael Godfrey, whose death at Namur is recorded in the first volume.

The subscriptions to the Bank were made by virtue of a commission under the great seal of England, grounded upon the said act of parliament, of which publick notice was given, and the commissioners were appointed to take all such voluntary subscriptions as should be made on or before the first day of August last, by any person or persons, natives or foreigners, bodies politic or corporate, towards the raising the said £1,200,000; and there was a proviso in the said act, that if £600,000 or more of the said £1,200,000 should not be subscribed on or before the first day of August then next coming that the power of making a corporation should cease, and the money be paid into the Exchequer by the respective subscribers and contributors. And notwithstanding all the endeavours of its adversaries, the whole £1,200,000 was subscribed in ten days time, though if the subscriptions had not amounted to £600,000 the subscribers would have had but a bad bargain, and such as no body would have taken off their hands for 20 per cent. loss of their principal, and yet they would have received £8 per cent. per annum for their money; nor would the £1,200,000 have been anything near subscribed, but upon the prospect of their being incorporated to be the Bank of England.

It's observable that the promoters of the Bank have proposed no advantage thereby to themselves above any of the other subscribers, all the profit being only *pro rata*, according to their stock; and though it cannot be imagined but that they intended to be largely concerned, yet it is settled, that those who have £500 have one vote, and those who have never so much can have no more; and the directors have no salary fixt for their pains and attendance, but submit themselves wholly to what a general court will think fit to allow them; and any nine members, having each £500 stock, may call a general court, and turn out the governor, deputy-governor, and all or any of the directors, and choose others in their places. Which are provisions so wise and effectual to prevent fraud in some, to the prejudice of the rest, that it hardly leaves room for any doubt of that nature.

I shall not attempt to enumerate all the advantages which the

nation will receive by the Bank, however I will mention some few, which alone are sufficient to recommend it, viz :

The Bank, besides the raising £1,200,000 towards the charge of the war, cheaper than it could otherwise have been done, and (like the other publick funds, tying the people faster to the government) will infallibly lower the interest of money, as well on publick as private securities, which all other funds have advanced, and which hath been raised to an exorbitant rate, as to the publick, by those who have made use of its necessities, and are now angry at the Bank, because that will reduce it. And the lowering of interests, besides the encouragement it will be to industry and improvements, will by a natural consequence, raise the value of land and increase trade, both which depend upon it; but it cannot be expected that land should rise much whilst such high taxes continue upon it, and whilst there are so great advantages to be made by lending money to the publick.

The Bank gives money for tallies on funds, having a credit of loan by act of parliament, and which are payable in two years time, for the growing interest only, without any other allowance on which there was used to be paid for the change, as much or more than the publick interest: for even on the land tax, which is counted the best of all the funds, there has been frequently given on tallies payable in three or four months time $1, 1\frac{1}{2}, \text{ £}1\frac{3}{4}$, and 2 percent. premio. over and above the public interest, and tallies on some funds, on which but twelve or eighteen or twenty months past there was £25 and £30 per cent. given over and above the publick interest, are now taken by the Bank for nothing, and instead of allowing money to change them, there is now money given to procure them; so that tallies are become better than money, because there is 7 or 8 per cent. per annum benefit whilst they are kept; and they are paid by the Bank upon demand to all those who desire to have money for them, which is, in effect, so much quick stock which the Bank has already increased to the nation, besides what it will farther add by its own credit.

Thus, by a regular course, and without any violence, the Bank

has made tallies current in payment, which is what has been so long wisht for, but could not have been affected without the Bank, (although there had been a law to compel it,) and this has given such a reputation to all tallies, even those which are the most remote, that they are now currently taken by private persons at £6, £8, £10, £15 and £20 per cent. less allowance than what was given but some few months before the Bank was establisht, all which losses on tallies was paid by the public, for it cannot be suppos'd but those who are to allow 15 or 20 per cent. for discount of their tallies make provision accordingly in the price they are to have for their commodities.

The Bank will likewise facilitate the future supplies, by making the funds, which are to be given, more useful and ready to answer the publick occasions, and upon easier terms than what has been done during the war; for it's said, they will lend money on the land tax at 6 per cent. per annum; nay some say at 5 per cent. per annum; which will save the nation a great sum of money in interest, as well as what was usually paid for gratuities and other charges to procure loans, a method that some of the opposers of the Bank have been well acquainted with.

But now the Bank is establisht, and that all who want money and have securities, know where to be supplied, and the terms, there cannot be such advantages made on the public or private men's necessities for the future.

The more credit the Bank has, and the more money is lodged in it, the more it will lessen interest, for want of occasion to improve it; and those who lodge their money in the Bank have it as much at their disposal as if it were in the hands of the goldsmiths, or in their cash chest; and there is a greater value than the money which is deposited in the Bank that circulates by their credit as much as if it were stirring in specie. And the Bank bills serve already for returns and exchanges to and from the remotest parts of the kingdom, and will in a little time do the like in foreign parts, which will lessen the exporting of bullion for the paying and maintaining our armies abroad during this war; and if the bulk of the

money of the nation, which had been lodged with the goldsmiths, had been deposited in the Bank four or five years past, it had prevented its being so scandalously clipt, which one day or other must cost the nation a million and half, or two millions to repair.

Those who are concerned in the Bank cannot fail to lessen the interest of money, for it's their own interest to do it, else they cannot employ it; and their fund being settled at £8 per cent. per annum, the lower they bring all other interest, they make the stock of the Bank the more valuable; and it must be allowed, that it is the only fund that ever was settled in England which has lessened the interest of money. And it's very observable, that any resolution that the concerned in the Bank have taken to be more serviceable in accommodating the publick or private men's occasions, has always given it a farther reputation, and increased its value; and the more they serve the interest of the nation, so much the more they serve their own, they being under this happy circumstance that they cannot do good to themselves but by doing good to others.

The nation pays for the million on annuities £14 per cent. per annum, for ninety-nine years; and for the million lottery, £14 per cent. per annum, for sixteen years, besides about one-tenth part which was expended in charges, and reckoning interest upon interest at 5 per cent. per annum, as some have computed it, the lottery amounts to above three millions, and the annuities amount to above two hundred and sixty millions.

The funds of wine, vinegar, and tobacco, East India goods, joint stocks, paper and parchment, and new impositions, are all at £8 per cent. per annum, as well as the Bank; and yet there has been from £20 to £30 per cent. loss on tallies upon several of these funds, besides the publick interest; the like has been on the remote parts of the $\frac{2}{3}$ excise and $\frac{3}{4}$ customs before the Bank was establisht, and thereby the nation has paid 12, 14, 16, 18, and 20 per cent. per annum interest for money, which, if it had continued, must have ruined the kingdom; but now that they who have made these advantages by the public are prevented of the like for the future, they will be more ready to lend money on private securities, or to purchase

lands, for want of occasions to improve their money to so much better advantage.

It's a matter which is very surprising and without any example, that after the nation has been six years ingag'd in such a chargeable war, and has been at near thirty millions expence, and such quantities of bullion have been exported, besides the loss of several millions, which the enemy has taken ; that after all this, instead of the interest of money rising, (as has been usual in all wars) there should now be such a fall of interest, which must be acknowledged to be wholly owing to the Bank, and that it could not have been effected without ; for till the Bank exerted itself, the interest of money was rising apace, and would have continued so, and have come to a strange exorbitancy e'er this, if the Bank had not been establisht.

The Bank being thus useful to the publick, extends itself likewise to accommodate all private men's occasions ; for they lend money on mortgages, and real securities at £5 per cent. per annum, and their very publishing they would do it, has given a check to the raising the interest on them from £5 to £6 per cent. per annum, as was attempted ; and if the titles of land were made more secure, money would be lent thereon at £4 per cent. per annum, and in time of peace at 3 per cent. per annum. Foreign bills of exchange are discounted at $4\frac{1}{2}$ per cent. per annum, and inland bills and notes for debts of 6 per cent. per annum ; and those who keep their cash in the Bank, have the one discounted at 3 per cent. per annum, and the other at $4\frac{1}{2}$ per cent. per annum, for which most goldsmiths used to take 9 or 10 per cent. per annum. And money is lent on pawns of commodities, which are not perishable, at £5 per cent. per annum, for which, some in their necessities, have paid more than double as much, to the ruine of many great traders.

Money is likewise lent on the fund of the orphans of the city of London, at 5 per cent. per annum, which will hinder several, who are necessitous, from being forced to sell their interest at under rates.

And it's said they have agreed to set up a Lombard to lend money

on small pawns, for the relief of the poor, at one penny per month for twenty shillings, for which they now pay sixpence or twelve-pence every week. And it's probable, if the Bank was not restrained by act of parliament, they might take into consideration the exchanging seamen's tickets for money for a very small allowance, for which they have often times paid seven or eight shillings in the pound.

The Bank will reduce the interest of money in England to 3 per cent. per annum in a few years, without any law to enforce it, in like manner as it is in all other countries where banks are establisht, whereby the trade of the nation may be driven upon more equal terms with the rest of our neighbours, where money is to be had at so much lower rates than what we in England have hitherto paid. And as the lessening the interest of money will infallibly raise the value of land, it had been worth while for the nobility and gentry who are the proprietors of the real estates in England to have given a land tax for the Bank, of double the sum which was raised by it, if they could not otherwise have obtained it; for the falling the interest of money to 3 per cent. per annum, to which rates the Bank will reduce it, will unavoidably advance the price of land to above thirty years' purchase, which will raise the value of the lands of England at least 100 millions, and thereby abundantly reimburse the nation all the charges of the war, and will not only enable the gentry to make better provision for their younger children, but those who now owe money on their lands, to pay off their debts by the increase of the value of their estates.

The ease and security of the great receipts and payments of money which are made by the Bank, (where people's cash is kept as it is at the goldsmiths'), together with the safe depositing of it, are such advantages to recommend it, that they ought not to be past over without some observation; especially considering how much money has been lost in England by the goldsmiths and scriveners breaking, which, in about thirty years past, cannot amount to so little as betwixt two and three millions, all which might have been prevented, had a Bank been sooner establisht; for none can lose by

the Bank, they having a fund of £100,000 per annum, and money or good securities besides, for as much they owe, wherewith to pay all that trust them.

These are such services to the nation, in general, which have been (and will be) done by the Bank as could not have been done without it; and such arguments as these, arising from fact, are better demonstrations and more convincing of the usefulness of it than mere speculative notions, urged by its opposers, can be to prejudice others against it; and therefore, it would be an accountable sort of policy, to endeavour to deprive the nation of those vast advantages which it now does and will receive by it.

Having given this short account of the Bank, I shall consider the objections that have been made against it, and who they are that make them; in which I shall chiefly take notice of those who would cloak the opposition they make out of private interest, under some other specious pretences; among which they are some who would be thought the most zealous for the government, who at first pretended to dislike the Bank, only for fear it should disappoint their majesties of the supplies which were proposed to be raised by it. But since the whole £1,200,000 has been so readily subscribed, their opposition has increased, and their being now so zealous against it, can only proceed from their fear that they shall not have the like opportunities as they have had to impose on the public, by whose necessities they have made so great advantages; and they now threaten what they will do to destroy the Bank this session of parliament, as if what past in the last were to be undone in this.

There are others who are for forcing a currency of bills or tallies, and think they may pass as well as bank bills; but they do not consider that its nothing makes bank bills currant, but only because that all those who desire it, can go when they will, and fetch their money for them; and to force anything to pass in payment but money, would soon end in confusion: for it cannot serve the nations' occasions at home, much less our foreign negotiations with other countries abroad; seeing that all those who take bills of exchange on England, are too wise to except any such sort of payment; but will

be sure to have them made payable in sterling money, in specie, in like manner as the bills, which are now drawn on Spain, are made payable in old money, as before the Pragmatica: which, together with the late essay of copper money in Ireland, might be sufficient to shew that all such attempts will be ineffectual.

And, besides, the confusion it would make, the danger of their being counterfeited, is an objection that cannot well be answered; and all that it would cost to exchange them for money would be certainly paid by the government; for it would be considered, by those who sell their goods, in the prices of them; and though but a small sum were paid for the loss of exchanging them for money, by every one through whose hands they should pass, yet there might be more than the whole value lost thereby, in less than one years' time. And the very proposing such an innovation is of dangerous consequence, and tends to destroy the public credit. For if it should be attempted to make anything current in payment but specie money, no body would trust the government on any loans for the future; and it would put a stop to the discounting tallies or bills of exchange, lending money on pawns or mortgages, or, indeed, to the giving any credit, but upon the undoubted assurance of receiving the payment in specie; for on all other sorts of payment there will be a loss to exchange them for money; and it would discourage our friends, and encourage our enemies, by proclaiming to the world that we are not able to continue the war, and this would put an end to it; for we should be forced to submit to such terms as the French King would think fit to grant us.

It's very observable that all the several companies of oppressors are strangely alarm'd, and exclaim at the Bank, and seem to have joined themselves in a confederacy against it, out of pure zeal (as they pretend) for the good of the publick: whereas 'tis nothing but their private interest, that has so nettled them, to see their crafts and trade of oppression endangered; for extortion, usury, and oppression were never so attacqued as they are like to be by the Bank; and 'tis that which has engaged them to use all the arts and tricks they could invent, to blemish it; and amongst the rest, to make those

that owe money uneasie at it, great sums have been called in, specially if any have happened to be due from those whose public stations might make their anger the more significant; pretending that the Bank has made such a scarcity of money, that none is left to be lent on land or other securities; though if it really did what they pretend, they would be far from being angry at it. Scarcity of money naturally producing a high interest, and a difficulty for those that want to be supplied with it; which are the best arguments that can be used, to extort double the price for procreation and continuation, crimes that would easily be forgiven by those men. But the Bank, on the contrary, makes a plenty of money, and renders it easie, for those that want to be supplied with it, at a moderate interest, as well on public as private securities, without paying anything either to procure or continue it.

There are others who pretend to be against the Bank lest it should hereafter joyn with the prince to make him absolute, and so render parliaments useless. But tho' that may at first seem frightful, yet, when it's considered, there will not appear any cause for such fear as is pretended; and it's morally impossible to be attempted, the concerned in the Bank being restrained by act of parliament, from advancing any money to the crown but upon such funds only on which there is a credit of loan by parliament, under the penalty of each person's forfeiting treble the value of all the money lent; the one-fifth to the informer, and the other four-fifth cannot be pardoned by the King, but are to be disposed of by parliament. Nor can it be the interest of the Bank to make any King absolute, seeing they have no security for their fund, nor for the money that is lodged in the Bank, but the protection of the laws. For if they should contribute to make any King absolute, they can have no assurance that he would not (nay, they may be confident that he would) seize on their fund and their money by violence, lest that they who contributed to make him absolute, should afterwards endeavour to reduce him to a conformity with the laws of the land. And, certainly, there is more danger of such a design from twelve or fourteen goldsmiths, who were used to have most of the running

cash of the kingdom; or from other corporations, who depend wholly on prerogatives, and are under no manner of restraint. Nor could such a design ever be attempted by the Bank; for the whole court of directors, which consists of twenty-six persons, must be made privy to it; and some of them, to be sure, would be against it; and it could not be kept secret, but would soon be divulged. And any nine members of the Corporation may call a general court, who would infallibly turn out those that should encline to favour such a design; for 'tis not to be supposed, that such a body of men should agree to ruin themselves and their posterity, by losing their estates and their liberties, when 'tis in their power to preserve them. And seeing the triennial bill is past, a new parliament must be chosen, and sit once in three years; and during the war, there is no danger but they will meet oftener.

There are others who are against the Bank, pretending the fund from which its revenue arises is prejudicial to the nation; but if that were an objection, it might as well be urged against the annuity for lives, payable out of the same fund, and settled by the same act of parliament. But as this is not made an objection against the one, no more ought it to be against the other; for the Bank would be the same out of whatsoever fund the £100,000 per annum were payable; and if it were ill for the kingdom, the goodness of the fund would not make it the better, nor if the fund were a bad one, would that make the Bank the worse.

There are others who are against the Bank, because they pretend the concerned have too good a bargain; though if it were really so, the nation pays but £100,000 per annum for £1,200,000, which is no more than their agreement; and 'tis much less than must have been paid for that money, if it had been to be raised in any other manner; but if there were any weight in this objection, it might be proper to be considered eleven years hence, when their term expires, in case they should endeavour a longer continuance. It never was thought to be an objection against those who have the fee-farm rents, that they have had too good a peniworth, though they now sell at twenty-one, twenty-two, and twenty-three years' purchase.

And though great part of them were paid for by debenturs, and old debts due from the crown, which were bought for little or nothing; nor is it objected that it was a thin house when that bill past, though upon the division there were but forty-two members present.

Some find fault with the Bank because they have not taken in the whole £1,200,000 which was subscribed, for they have called in but £72,000, which is more than they have now occasion for. But, however, they have paid into the Exchequer the whole £1,200,000 before the time appointed by the act of parliament; and the less money they have taken in to do it with, so much the more they have served the public; for the rest is left to circulate in trade, to be lent on land, or otherwise to be disposed of for the nation's service. And it's better for the Bank, as well as the publick, to have £480,000 in the subscribers' hands, ready to be called for as they want it, than to have had it lie useless by them. And it's very observable, that few of those, who make this objection, either do or would trust the Bank, though the whole £1,200,000 were actually paid in by the subscribers, as they would pretend to have it. And though they are so careful lest the Bank should not have credit; yet, at the same time, they pretend to fear its credit will so far prevail, that it will engross all the money in the nation; so that it seems as if they who would have £480,000 called in, wanted a pretence to find fault with the Bank for having made money scarce, by calling in the remainder of the whole subscriptions, when they did not want it; unless they would shew by some new discovered rules in arithmetic, that the calling in £480,000 more would make the Bank have the less money lodged in it.

'Tis pretended by others that the Bank is prejudicial to trade because there are some under such unhappy circumstances, that the Bank cannot relieve them in their broken fortunes, and who have been sinking before the Bank was thought of. Indeed they who have not credit to borrow money at interest, nor to draw by exchange, and who have neither tallies, bills of exchange, nor good bills for debt to discount, goods to pawn, or land or houses to

mortgage, must be allowed to be in no very good condition, and must continue to pay as exorbitant allowances for money, to supply their necessities, as they used to do before the Bank was established. What has been observed of discounting foreign bills of exchange at 3 per cent. per annum, inland bills, and notes for debts at $4\frac{1}{2}$ per cent. per annum, lending money on pawns at 5 per cent. per annum, exchanging tallies, and lowering interest of money, it's supposed, is sufficient to answer this objection.

'Tis alleged by some that the Bank will ingross all manner of trades. But this is an objection like many others which are made against it by those who do not understand its constitution ; for, if any person trades on account of the Bank in any other thing than taking pawns, or in bills of exchange, or bullion, or consents that any other should trade ; every such person so trading, or consenting to such trade, incurs, by the act of parliament, a forfeiture of treble the value of all that is traded for.

The goldsmiths have been guilty of engrossing most commodities themselves, and they have also been great merchants and traders. And since the nation has suffered so much by their monopolizing goods and trading with other men's stocks, it may seem highly reasonable, that, as the Bank is restrained from trade, for fear of those mischiefs which the goldsmiths' have practised, so the goldsmiths, in like manner, should be limited to the selling plate and jewels, which was their antient and proper trade. And if there be an advantage to be made by the running cash of the kingdom, it's fitter for the Bank to have it ; which consists of thirteen hundred persons, and who employ it to serve the nation in general, by lowering the interest of money ; than that it should be given to a few private men, who have already made use of it, so much to the nation's prejudice.

And, whereas they pretend that the Bank has bought up all the silver, upon enquiry it appears, that there hath not been £12,000 worth bought by the Bank, and the greatest part of that was pieces of eight, and the rest bars and piny silver, which came from Spain ; though some particular refiners and goldsmiths have since that

shipp'd off more than double that value in bars of English melting, and have likewise sold much greater parcels to others, which have been exported. And it may be a matter well worth enquiry, where those mines are which have produced that silver?

And though it be made such a crime for the Bank to be concerned in the publick remittances, it is no more than was done by a goldsmith before the Bank undertook it; nor is it looked on as a fault in the goldsmiths to deal by exchange, seeing some of them do now draw or remit money almost every post.

As to the pretence of the Bank setting a price upon guineas, and having engrossed the greatest part of all that are in the nation; 'tis answered, the Bank has always received and paid guineas, at two-pence or threepence a piece, at least, under the price which the goldsmiths have put upon them; and has been so far from buying up any, that they have only received such as have been brought them in payment; and have constantly paid them away every week at the same price as they have received them; so that if they make any benefit by the advance of the price of guineas, 'tis chiefly on those which were received at the taking the subscriptions; which cannot come to any such quantity as is pretended; and 'tis a matter wholly owing to some or all of these causes.

To the goldsmiths and refiners, who have raised the price of them: or, to the trade which is driven by the clippers, who sell their clippings for guineas, and with them to procure heavy money; or to the badness of our silver coin, which is diminished every day.

There are others, who make a mighty complaint against the Bank because twopence per day is allowed on bank bills; and the money which was used to be lodged in their hands for nothing, and made use of by themselves, is now paid into the Bank by the owners; but they, it's supposed, will not find fault with receiving twopence per day for that money, for which before they had nothing; and so one may be set against t'other.

'Tis pretended, the allowing twopence per day, hinders some from purchasing or lending money on mortgages, and makes others, who are traders, and owe money, bad paymasters.

But it may well be supposed, there are none who intend to purchase or lend money on mortgages, who will leave their money in the Bank at 3 per cent. per annum. when they can have a purchase to their minds, or a good security at 5 per cent. per annum; and there are few who would not leave their money lying dead, rather than lay it out on the purchase of an estate they do not like, or lend it on a bad security.

And as for its making bad paymasters; they must consider their credit or interest but little, who will delay paying their debts for the getting the twopence per day per £100, which is allowed on bank bills; for in their future dealings they would pay a much dearer interest. The money which is lodged in the Bank, is only the money which can be spar'd, and was wont to be left with the goldsmiths; and it's strange that 3 per cent. per annum, which is allowed on bank bills, should do all this mischief, and that the great advantages which have been made by the public funds should never be made an objection.

But the plain truth of the matter is, that the goldsmiths are angry at the Bank's allowing twopence a day per cent., because that by this means the money is drawn out of their hands the faster, and paid into the Bank for bank bills.

And if the allowing twopence per day on bank bills he lookt on to, be such a crime, it's very probable the concerned in the Bank will be willing in time to remove the objection, seeing it will ease them of the charge of £36,000 per annum, which the interest amounts to and which they have given the nation out of their fund for that money for which the owners used to have nothing.

Notwithstanding all these objections, which are made against the Bank, and that the allowing twopence a day per £100 on bank bills, is pretended to be so prejudicial, yet there are some now, who in opposition to it, talk of nothing less than settling a new one, with fourpence a day per cent. interest, which is double as much as is now paid by the Bank; nay, others are for setting up a bank in every city, or in every market town; which shews, after all, the cavils against the Bank, that a bank is good for the nation in general, and that the

greatest objection against the Bank of England, is, that they who find fault with it, are not concerned in it; for many of those who clamour against it, do it only in hopes of coming in the cheaper.

But the honour and justice of the whole nation, (on whose credit and authority the subscribers are establisht to be the Bank of England for eleven years,) is too much concerned, to admit a supposal that any such designs should receive countenance or encouragement. For what past in the last session of parliament, and their refusing to admit any other lives to be added to the annuities, lest it should be thought to lessen the security on which the money was contributed; (though they were not intended to take place 'till after the lives in being were extinct) shews the great care of the honourable House of Commons, to preserve the public credit, and to avoid any the least occasion which might make it suspected; and gives the whole nation a sufficient assurance, that they who are the preservers of the people's rights and properties, will never suffer anything to be attempted in that august assembly, that may seem but to weaken the security, or lessen the encouragements which they have given the subscribers to the Bank, and which they themselves have establisht by so solemn and inviolable a sanction; and all insinuations to the contrary (though under never such specious pretences) are of dangerous consequence to the government, tending to raise doubts and scruples in the minds of the people, and to lessen the public credit; for if the parliamentary securities, on which all men, both natives and foreigners, firmly relying, have hitherto so freely contributed their fortunes for carrying on the war, were now made precarious and uncertain, no body could trust them for the future; and during the war, the government cannot possibly subsist without credit.

And besides, the seeming injustice which it would be to those who have subscribed, and contributed their money upon the encouragement given by the act, of their being the Bank of England for eleven years, to have another establisht before those eleven years are expired, for which this Bank is settled; it would be so far from being like the having of several shops to go to, to be better used, (as is by some pretended) that it would be a means to hinder either from being

serviceable in the supplying the public or private men's occasions. And the nation must pay the dearer for money, for one being in opposition to the other; there would be a sort of civil war between them; and the Bank being a Bank of credit, neither of them, by their jealousy of each other, would venture to extend its credit; but would bury the money of the nation instead of increasing and quickening its circulation, as the Bank of England does and will do.

To conclude, the instances which have been given in the foregoing account, of the usefulness of the Bank, may, it's supposed, suffice to convince such as were prejudiced against it; upon the misrepresentations which have been so industriously made by those who appeared the most barefaced and violent in opposing it. But it may perhaps be objected, that the Bank is so far from being an advantage to all trades that 'tis prejudicial to some; for it seems to be admitted that the Bank will be injurious to a dozen or fourteen goldsmiths, and to some scriveners, usurers, and pawnbrokers; because it will hinder them from exacting such oppressive extortion as some of them have done formerly; and it will quite ruin the trade of tally jobbers.

Now, if the clamour of a few, (whose trade has been to make merchandise of the nation and to enrich themselves by the necessities of others,) shall not only prevail against the benefit of a community, legally establisht, but even of the kingdom in general, and the credit of a parliament, then the enemies of the Bank may hope to subvert it. But, until the public good be postponed to private interest, and a small namber of oppressors be too hard for the nobility, gentry, and traders of England in general; it will and must be preserved and maintained, because of its great use to the whole realm; and the benefits which already accrue by it in its infancy are a good earnest of those greater advantages which the nation must receive from its future progress.

A LIST OF THE SERVANTS OF THE BANK OF ENGLAND AT THE FIRST ESTABLISHMENT, AND THEIR SALARIES, TO BE ACCOUNTED FROM MICHAELMAS, 1695, ESTABLISHED BY THE COURT OF DIRECTORS THE 13TH NOV., 1695.

SECRETARY'S OFFICE.				DISCOUNT OFFICE.			
John Ince	£250			A. Wright	£110		
T. Walder	100			E. Miller	100		
T. Barnes (a writer) . . .	40			J. Delage	40		
	—				—		
	390						250
ACCOUNTANTS.				EXCHEQUER.			
T. Mercer	250			J. Malbon	100		
J. Monteage	150			J. Miller	60		
T. Delact	150				—		
M. Follett	150						160
B. Parker	100			TELLERS.			
J. Downes	80			J. Hodgkin	80		
C. Conyers	60			J. Wase	60		
T. Jones	60			J. Newell	60		
J. Seaward	60			R. Meverell	60		
W. West	60			T. Morris	60		
S. Montague (gratis)	—			R. Martin	60		
	1120			A. Debucy	50		
CASH BOOK.				J. Watkins	50		
T. Speed	250			T. Jones	50		
R. Hedges	150			J. Debret	50		
T. Maddox	150			J. Nicholls	50		
J. Adams	80			P. Kidd	50		
R. Haskey	70			T. Burnard	50		
W. Stubbs	60			R. Strickland	50		
J. Carpenter	50			R. Weeley	50		
G. Flint	50			J. Butler	50		
N. Lovell	50			J. Collier	50		
	—			B. Hassell	50		
	910			P. Duffield	50		

TELLERS CONTINUED.			E. Brinkworth . . . £50
R. Vaughan . . .	£50		J. Taylor . . . 50
S. Berry . . .	50		
M. Jones . . .	50		1330
R. Colman . . .	50		FOR SILVER, &c.
			M. Bowles . . . 180

	Clerks.	Salary.
Secretary's office . . .	3 . . .	£390
Accountants . . .	11 . . .	1120
Cash Book . . .	9 . . .	910
Discount office . . .	3 . . .	250
Exchequer . . .	2 . . .	160
Tellers . . .	25 . . .	1330
For Silver, &c. . .	1 . . .	180
	<hr/> 54	<hr/> £4340

THE HIGHEST AND LOWEST PRICE OF BANK STOCK IN EACH
YEAR FROM 1732 TO 1846.

	Highest.	Lowest.		Highest.	Lowest.	
1732	152 — 109		1764	. . . . .	127 — 112
1733	151 — 130		1765	. . . . .	136 — 126
1734	140 — 132		1766	. . . . .	139 — 135
1735	146 — 138		1767	. . . . .	159 — 142
1736	151 — 148		1768	. . . . .	170 — 158
1737	151 — 142		1769	. . . . .	175 — 149
1738	145 — 140		1770	. . . . .	153 — 105
1739	144 — 115		1771	. . . . .	155 — 134
1740	144 — 138		1772	. . . . .	153 — 144
1741	143 — 135		1773	. . . . .	143 — 139
1742	143 — 136		1774	. . . . .	146 — 139
1743	148 — 145		1775	. . . . .	146 — 141
1744	148 — 116		1776	. . . . .	143 — 134
1745	147 — 133		1777	. . . . .	138 — 128
1746	136 — 125		1778	. . . . .	120 — 107
1747	129 — 119		1779	. . . . .	118 — 106
1748	129 — 117		1780	. . . . .	116 — 109
1749	140 — 128		1781	. . . . .	119 — 105
1750	136 — 131		1782	. . . . .	124 — 109
1751	142 — 135		1783	. . . . .	135 — 112
1752	149 — 141		1784	. . . . .	118 — 110
1753	144 — 135		1785	. . . . .	142 — 111
1754	135 — 130		1786	. . . . .	158 — 138
1755	162 — 119		1787	. . . . .	160 — 145
1756	121 — 114		1788	. . . . .	178 — 158
1757	120 — 115		1789	. . . . .	191 — 169
1758	123 — 116		1790	. . . . .	188 — 164
1759	123 — 109		1791	. . . . .	204 — 178
1760	114 — 101		1792	. . . . .	219 — 171
1761	116 — 98		1793	. . . . .	180 — 161
1762	119 — 91		1794	. . . . .	169 — 153
1763	131 — 111		1795	. . . . .	180 — 152

	Highest.	Lowest.		Highest.	Lowest.
1796	180	— 142	1822	252	— 235
1797	146	— 115	1823	246	— 204
1798	138	— 118	1824	245	— 227
1799	176	— 134	1825	299	— 196
1800	175	— 154	1826	223	— 193
1801	190	— 148	1827	217	— 200
1802	207	— 178	1828	215	— 203
1803	193	— 136	1829	218	— 208
1804	169	— 146	1830	203	— 194
1805	197	— 167	1831	204	— 189
1806	223	— 191	1832	208	— 185
1807	235	— 208	1833	213	— 190
1808	240	— 224	1834	225	— 211
1809	288	— 235	1835	225	— 208
1810	276	— 273	1836	219	— 199
1811	251	— 229	1837	212	— 203
1812	232	— 212	1838	208	— 201
1813	242	— 211	1839	206	— 177
1814	266	— 234	1840	179	— 156
1815	260	— 219	1841	173	— 157
1816	262	— 215	1842	173	— 165
1817	294	— 220	1843	185	— 172
1818	292	— 207	1844	211	— 185
1819	267	— 210	1845	215	— 199
1820	226	— 215	1846	211	— 199
1821	240	— 221			

LIST OF DIRECTORS

FROM 1694 TO 1847.

Sir John Houlton . . .	1694	Sir John Cope, Sen. . . .	1695
Michael Godfrey . . .	"	Peter Godfrey	"
Sir Thomas Abney . . .	"	Anthony Stevens	"
Sir James Bateman . . .	"	Sir William Ashhurst . .	1697
Brook Bridges	"	Charles Chambrelan . . .	"
George Bodington . . .	"	Robert Bristow	"
James Denew	"	Samuel Bultell	"
Sir Henry Furnese . . .	"	John Page	"
Sir William Gore	"	Sir Francis Eyles	"
Thomas Goddard	"	John Shipman	"
Sir Gilbert Heathcote . .	"	Sir Nathaniel Gould . . .	"
Sir William Hedges . . .	"	Samuel Lock	"
Sir James Houlton . . .	"	Sir Peter Delme	1698
Sir John Huband	"	William Dawsonne	"
Abraham Houlton	"	Francis Stratford	"
Sir Theodore Janssen . .	"	Peter Gott	"
John Knight	"	Sir Richard Levett	"
Samuel Lethieullier . .	"	Sir Charles Thorald . . .	1699
John Lordell	"	John Devinck	"
William Paterson	"	John Rudge	"
Robert Raworth	"	Richard Perry	"
Sir William Seawan . . .	"	Jacob Reynardson	1700
Obediah Sedgwick . . .	"	William Des Bouvierie . .	"
John Smith	"	Josiah Diston	1701
Nathaniel Tench	"	John Gould	"
Sir John Ward	"	John Hangen	"
Henry Cornish	1695	Humphrey South	"
Edward Clarke	"	Sir Robert Clayton	1702

Sir Gerard Conyers . . .	1702	John Francis Fauquier	1716
Abraham Hill . . .	"	Humphrey Morice . . .	"
Samuel Heathcote . . .	"	Moses Raper . . .	"
Sir William Hodges . . .	"	Sir Joseph Eyles . . .	1717
Sir Charles Peers . . .	1705	Sir William Humfreys	1719
Sir Thomas Scawen . . .	"	Richard Du Cane . . .	1720
Sir John Cope, Jun. . .	1706	Samuel Holden . . .	"
James Dolliffe . . .	1708	Bryan Benson . . .	1421
John Emilie . . .	"	Thomas Cooke . . .	"
William Gore . . .	1709	Delillers Carbonnel . .	1722
George Dodington . . .	"	Nathaniel Gould . . .	"
Sir Justus Beck . . .	1710	Henry Herring . . .	"
William Henry Cornelisen	"	Hon. Horatio Townshend	"
John Dolben . . .	"	Sir Edward Bellamy . .	1723
Jeremiah Powell . . .	"	Matthew Howard . . .	"
Sir Denis Dutry . . .	1711	John Olmius . . .	"
Heneage Fetherstone . .	"	Sir Francis Forbes . . .	1724
Sir Philip Jackson . . .	"	William Fawkener . . .	"
John Ward, Jun. . .	"	Sir John Heathcote . .	1725
Sir George Thorald . . .	"	John Nicoll . . .	1726
Mr. Robert Atwood . . .	1712	Sir Francis Porten . . .	"
Richard Cary . . .	"	Stamp Brooksbank . . .	1728
Sir Joseph Hodges . . .	"	James Gaultier . . .	"
Sir Randolph Knipe . . .	"	William Hunt . . .	"
Christopher Lethieullier .	"	William Snelling . . .	"
Matthew Raper . . .	"	Clement Boehm . . .	1729
John Edmonds . . .	1713	Joseph Paice, Jun. . .	1730
Sir Richard Houblon . . .	"	Matthew Raper . . .	"
Robert Bristow . . .	"	James Spilman . . .	"
Richard Chiswell . . .	1714	Robert Alsop . . .	1731
Sir William Joliff. . .	"	John Bance . . .	"
Henry Lyell . . .	"	Henry Neale . . .	1732
William Thompson . . .	"	Robert Thornton . . .	"
Sir John Eyles . . .	1715	Charles Savage. . .	1733
Mr. Barrington Eaton . .	1716	Benjamin Lethieullier .	1734

Benjamin Longuet . . .	1734	William Cooper . . .	1754
Sir John Thompson. . .	"	Philip De la Haize . . .	"
Christopher Tower . . .	"	Sir Thomas Chitty . . .	1755
John Eaton Dodsworth . . .	"	Peter Du Cane . . .	"
Frederick Frankland . . .	1736	Edward Payne . . .	1756
Samuel Trench . . .	"	Thomas Plumer . . .	"
Alexander Sheafe . . .	1737	Peter Theobald . . .	"
Richard Chiswell, Jun. . .	1738	Robert Dingley . . .	1757
Sir John Lequesne . . .	"	James Sperling . . .	"
Benjamin Mee . . .	"	Henry Plant . . .	1759
Mark Weyland . . .	"	Samuel Beachcroft . . .	1760
Claude Fonnereau . . .	1739	Gustavus Brander . . .	1761
Charles Palmer . . .	"	Daniel Booth . . .	"
John South . . .	"	John Cornwall . . .	"
Matthew Beachcroft. . .	1741	Peter Gaussem . . .	"
Robert Nettleton . . .	"	James Houghton Langston . . .	"
Thomas Whately . . .	"	Edmund Wilcox . . .	"
Merrik Burrell . . .	1742	William Bowden . . .	1763
James Lever . . .	"	William Ewer . . .	"
Theophilus Salwey . . .	"	Richard Neave . . .	"
Robert Marsh . . .	1743	John Fisher . . .	1764
James Theobald . . .	"	Christopher Hake, Jun. . .	"
Robert Salusbury . . .	1744	Thomas Thomas . . .	1765
Peter Thomas . . .	"	Benjamin Hopkins . . .	"
Bartholomew Burton . . .	1746	Lionel Lyde . . .	"
Godfrey Thornton . . .	1748	George Peters . . .	1766
John Weyland . . .	"	Edward Darell . . .	1767
Thomas Winterbottom . . .	1749	William Halhed . . .	"
Charles Boehm . . .	1750	Lyde Browne . . .	1768
Matthew Clairmont . . .	"	George Drake . . .	"
Samuel Handley . . .	"	George Hayter . . .	"
Richard Stratton . . .	"	Benjamin Hopkins . . .	"
Harry Thompson . . .	"	George Peters . . .	"
Sir Samuel Fludyer . . .	1753	Mark Weyland . . .	"
John Sargent . . .	"	Roger Boehm . . .	1769

Matthew Howard	1769	William Mellish	1792
Benjamin Branfill	1770	Edward Simeon	„
William Snell	„	Alexander Champion, Jun.	1794
Samuel Bosanquet	1771	George Dorrien	„
Martyn Fonnereau	„	Jeremiah Harman	„
Godfrey Thornton	1772	Nathaniel Bogle French	1796
Daniel Giles, Jun. . . .	1774	Charles Pole	„
Christopher Puller	„	Thomas Amyand	1798
Thomas Dea	1775	Thomas Langley	„
Richard Clay	1776	Ebenezer Maitland	„
Thomas Raikes	„	Peter Free	1800
Benjamin Mee, Jun. . . .	1777	Jeremiah Olive	„
John Sargent, Jun. . . .	1778	Henry Smith	1802
William Cooke	1780	Stephen Thornton	„
Samuel Thornton	„	John Bowden	1803
Thomas Scott Jackson	„	Cornelius Buller	„
Job Mathew	1781	Alexander Baring	1805
Joseph Nutt	„	John Josiah Holford	„
Thomas Boddington	1782	John Baker Richards	„
Benjamin Winthrop	„	Samuel Drew	1806
Beeston Long, Jun. . . .	1784	Samuel Turner, Jun. . . .	„
James Maude	„	Henry Davidson	1807
Isaac Osborne	„	John Staniforth	„
Sir Brook Watson	„	Sir Robert Wigram	„
John Harrison	1785	James Campbell	1808
Bicknell Coney	1786	William Haldimand	1809
John Whitmore, Jun. . . .	„	George Blackman	1810
Peter Isaac Thellusson	1787	William Tierney Robarts	„
Moses Yeldham	1788	John Horsley Palmer	1811
William Manning, Jun. . . .	1790	Andrew Henry Thomson	„
John Pearse	„	Sir Thomas Neave	1812
John Puget	„	Richard Mee Raikes	„
James Reed	„	James Pattison, Jun. . . .	1813
Thomas Lewis	1791	William Ward	1817
Peter Cazalet	1792	Samuel Hibbert	1819

Timothy Abraham Curtis	1820	William Unwin Sims	.	1830
Sir John Rae Reid . . . ,		Rowland Mitchell . . .		1833
Sir John Henry Pelly . . .	1821	Christopher Pearse . . .		1834
David Barclay ,		Henry Davidson . . .		1835
John Cockerell ,		Bonamy Dobree	,	,
Henry Porcher ,		Thomson Hankey, Jun.	.	,
George Warde Norman . . . ,		Henry James Prescott . . .		,
Thomas Warre, Jun.	1822	Robert Barclay . . .		1837
William Cotton ,		James Malcolmson . . .		,
John Benjamin Heath	1823	John Gellibrand Hubbard		1838
Money Wigram ,		Charles Frederick Huth	.	,
William R. Robinson . .	1825	Alfred Latham	,	,
William Mitchell ,		Thomas Charles Smith . . .		,
James Morris	1827	Thomas Matthias Weguelin	.	,
Simon Taylor ,		Edward Henry Chapman		1840
William Thompson ,		Kirkman Daniel Hodgson	.	,
Humphrey St. Jno. Mildmay	1828	William Little		1842
John Oliver Hanson . .	1829	David Powell		,
Stephen Edward Thornton . .		Francis Wilson		,
Melvil Wilson ,		Arthur Edward Campbell		1843
Charles Pascoe Grenfell	1830	Thomas Tooke, Jun. . . .	,	,
Abel Lewes Gower ,		Henry Lancelot Holland		1844
Sheffield Neave ,		Thomas Newman Hunt . . .		,

BANK STOCK DIVIDENDS FROM 1694 TO 1847, WITH THE RATE OF
DISCOUNT.

DIVIDENDS.		DISCOUNT.	
	PER CENT.		PER CENT.
From 1694 to 1697	£8	8th August .	1694, on
per cent. per annum, payable quarterly.		Foreign bills . . .	£6
10th September . 1698 .	£7	Foreign bills . . .	4½
9th March . . 1699 .	4½	24th October .	1694, on
20th September . 1699 .	5	Inland bills	6
25th March . . 1700 .	5½	16th January .	1695, on
29th September . 1700 .	5½	Foreign bills	6
25th March. . . 1701 .	4½	16th Janmary .	1695, on
29th September . 1701 .	4½	Inland bills	4½
25th March . . 1702 .	4¾	16th January .	1695, on
29th September . 1702 .	7¼	Foreign bills, to those	
25th March . . 1703 .	7½	who keep cash at the	
29th September . 1703 .	9	Bank	3
25th March . . 1704 .	7½	19th May . . .	1695, . 3
29th September . 1704 .	8½	28th February, on Foreign	
25th March . , . 1705 .	8½	bills, payable at the	
29th September . 1705 .	7	Bank	4
25th March . . 1706 .	10½	28 February, on Foreign	
29th September . 1706 .	7¾	bills, not payable at the	
25th March . . 1707 .	3¾	Bank	5
29th September . 1707 .	4		
25th March . . 1708 .	4½		
29th September . 1708 .	8½		
25th March . . 1709 .	4½		
29th September . 1709 .	4		
25th March . . 1710 .	4		
29th September . 1710 .	3½	22nd June, on Foreign bills	5
25th March . . 1711 .	3½		
29th September . 1711 .	3½		
25th March . . 1712 .	4		
29th September . 1712 .	4		

	DIVIDENDS.		DISCOUNT.	
		PER CENT.		PER CENT.
25th March . .	1713 . £4			
29th September . .	1713 . 4			
25th March . .	1714 . 4			
29th September . .	1714 . 4			
25th March . .	1715 . $3\frac{3}{4}$			
29th September . .	1715 . 4			
25th March . .	1716 . 4	26th July, on Foreign and		
29th September . .	1716 . 4	Inland bills	£4	
25th March . .	1717 . 4			
29th September . .	1717 . 4			
25th March . .	1718 . 4			
29th September . .	1718 . 4			
25th March . .	1719 . 4	30th April, on bills and		
29th September . .	1719 . $3\frac{1}{2}$	notes	5	
25th March . .	1720 . $3\frac{1}{2}$	27th October . bills .	5	
29th September . .	1720 . 4			
25th March . .	1721 . 3			
29th September . .	1721 . 3			
25th March . .	1722 . 3			
29th September . .	1722 . 3	23rd August . bills .	4	
25th March . .	1723 . 3			
29th September . .	1723 . 3			
25th March . .	1724 . 3			
29th September . .	1724 . 3			
25th March . .	1725 . 3			
29th September . .	1725 . 3			
25th March . .	1726 . 3			
29th September . .	1726 . 3			
25th March . .	1727 . 3			
29th September . .	1727 . 3			
25th March . .	1728 . $2\frac{3}{4}$			
29th September . .	1728 . $2\frac{3}{4}$			
25th March . .	1729 . $2\frac{3}{4}$			

DIVIDENDS.			DISCOUNT.	
	PER CENT.		PER CENT.	
29th September . . 1729 .	£2 $\frac{3}{4}$		22nd August . . bills . .	£4
25th March . . 1730 .	3			
29th September . . 1730 .	2 $\frac{3}{4}$			
25th March . . 1731 .	3			
29th September . . 1731 .	2 $\frac{3}{4}$			
25th March . . 1732 .	3			
29th September . . 1732 .	2 $\frac{3}{4}$			
25th March . . 1733 .	2 $\frac{3}{4}$			
29th September . . 1733 .	2 $\frac{3}{4}$			
25th March . . 1734 .	2 $\frac{3}{4}$			
29th September . . 1734 .	2 $\frac{3}{4}$			
25th March . . 1735 .	2 $\frac{3}{4}$			
29th September . . 1735 .	2 $\frac{3}{4}$			
25th March . . 1736 .	2 $\frac{3}{4}$			
29th September . . 1736 .	2 $\frac{3}{4}$			
25th March . . 1637 .	2 $\frac{3}{4}$			
29th September . . 1737 .	2 $\frac{3}{4}$			
25th March . . 1738 .	2 $\frac{3}{4}$			
29th September . . 1738 .	2 $\frac{3}{4}$			
25th March . . 1739 .	2 $\frac{3}{4}$			
29th September . . 1739 .	2 $\frac{3}{4}$			
25th March . . 1740 .	2 $\frac{3}{4}$			
29th September . . 1740 .	2 $\frac{3}{4}$			
25th March . . 1741 .	2 $\frac{3}{4}$			
29th September . . 1741 .	2 $\frac{3}{4}$			
25th March . . 1742 .	2 $\frac{3}{4}$			
29th September . . 1742 .	2 $\frac{3}{4}$	18th October, 1742, on bills		
25th March . . 1743 .	2 $\frac{3}{4}$	drawn within the kingdom	5	
29th September . . 1743 .	2 $\frac{3}{4}$	18th October, 1742, drawn		
25th March . . 1744 .	2 $\frac{3}{4}$	without the kingdom . .	4	
29th September . . 1744 .	2 $\frac{3}{4}$	12th December, 1744, on		
25th March . . 1745 .	2 $\frac{3}{4}$	Foreign bills	5	
29th September . . 1745 .	2 $\frac{3}{4}$			

DIVIDENDS.			DISCOUNT.	
	PER CENT.		PER CENT.	
25th March . . 1746 .	£2 $\frac{3}{4}$	1st May, 1746, on foreign		
29th September . 1746 .	2 $\frac{3}{4}$	bills not having more		
25th March . . 1747 .	2 $\frac{1}{2}$	than fifteen days to run £4		
29th September . 1747 .	2 $\frac{1}{2}$	4th May, 1746, on Inland		
25th March . . 1748 .	2 $\frac{1}{2}$	bills and notes not		
29th September . 1748 .	2 $\frac{1}{2}$	having more than fifteen		
25th March . . 1749 .	2 $\frac{1}{2}$	days to run	5	
29th September . 1749 .	2 $\frac{1}{2}$			
25th March . . 1750 .	2 $\frac{1}{2}$			
29th September . 1750 .	2 $\frac{1}{2}$			
25th March . . 1751 .	2 $\frac{1}{2}$			
29th September . 1751 .	2 $\frac{1}{2}$			
25th March . . 1752 .	2 $\frac{1}{2}$			
10th October . . 1752 .	2 $\frac{1}{2}$			
5th April . . . 1753 .	2 $\frac{1}{4}$			
10th October . . 1753 .	2 $\frac{1}{4}$			
5th April . . . 1754 .	2 $\frac{1}{4}$			
10th October . . 1754 .	2 $\frac{1}{4}$			
5th April . . . 1755 .	2 $\frac{1}{4}$			
10th October . . 1755 .	2 $\frac{1}{4}$			
5th April . . . 1756 .	2 $\frac{1}{4}$			
10th October . . 1756 .	2 $\frac{1}{4}$			
5th April . . . 1757 .	2 $\frac{1}{4}$			
10th October . . 1757 .	2 $\frac{1}{4}$			
5th April . . . 1758 .	2 $\frac{1}{4}$			
10th October . . 1758 .	2 $\frac{1}{4}$			
5th April . . . 1759 .	2 $\frac{1}{4}$			
10th October . . 1759 .	2 $\frac{1}{4}$			
5th April . . . 1760 .	2 $\frac{1}{4}$			
10th October . . 1760 .	2 $\frac{1}{4}$			
5th April . . . 1761 .	2 $\frac{1}{4}$			
10th October . . 1761 .	2 $\frac{1}{4}$			
5th April . . . 1762 .	2 $\frac{1}{4}$			

	DIVIDENDS.	PER CENT.	DISCOUNT.	PER CENT.
10th October . . .	1762 .	£2 $\frac{1}{4}$	On Inland bills and notes	
5th April . . .	1763 .	2 $\frac{1}{4}$	not having more than	
10th October . . .	1763 .	2 $\frac{1}{4}$	fifteen days to run . .	£5
5th April . . .	1764 .	2 $\frac{1}{4}$		
10th October . . .	1764 .	2 $\frac{1}{2}$		
5th April . . .	1765 .	2 $\frac{1}{2}$		
10th October . . .	1765 .	2 $\frac{1}{2}$		
5th April . . .	1766 .	2 $\frac{1}{2}$		
10th October . . .	1766 .	2 $\frac{1}{2}$		
5th April . . .	1767 .	2 $\frac{1}{2}$		
10th October . . .	1767 .	2 $\frac{3}{4}$		
5th April . . .	1768 .	2 $\frac{3}{4}$		
10th October . . .	1768 .	2 $\frac{3}{4}$		
5th April . . .	1769 .	2 $\frac{3}{4}$		
10th October . . .	1769 .	2 $\frac{3}{4}$		
5th April . . .	1770 .	2 $\frac{3}{4}$		
10th October . . .	1770 .	2 $\frac{3}{4}$		
5th April . . .	1771 .	2 $\frac{3}{4}$		
10th October . . .	1771 .	2 $\frac{3}{4}$		
5th April . . .	1772 .	2 $\frac{3}{4}$		
10th October . . .	1772 .	2 $\frac{3}{4}$		
5th April . . .	1773 .	2 $\frac{3}{4}$	On Foreign bills	5
10th October . . .	1773 .	2 $\frac{3}{4}$		
5th April . . .	1774 .	2 $\frac{3}{4}$		
10th October . . .	1774 .	2 $\frac{3}{4}$		
5th April . . .	1775 .	2 $\frac{3}{4}$		
10th October . . .	1775 .	2 $\frac{3}{4}$		
5th April . . .	1776 .	2 $\frac{3}{4}$		
10th October . . .	1776 .	2 $\frac{3}{4}$		
5th April . . .	1777 .	2 $\frac{3}{4}$		
10th October . . .	1777 .	2 $\frac{3}{4}$		
5th April . . .	1778 .	2 $\frac{3}{4}$		
10th October . . .	1778 .	2 $\frac{3}{4}$		

DIVIDENDS.			DISCOUNT.	
		PER CENT.		PER CENT.
5th April . . .	1779 .	£2 $\frac{3}{4}$	On Foreign bills . . .	. £5
10th October . . .	1779 .	2 $\frac{3}{4}$		
5th April . . .	1780 .	2 $\frac{3}{4}$		
10th October . . .	1780 .	2 $\frac{3}{4}$		
5th April . . .	1781 .	2 $\frac{3}{4}$		
10th October . . .	1781 .	3		
5th April . . .	1782 .	3		
10th October . . .	1782 .	3		
5th April . . .	1783 .	3		
10th October . . .	1783 .	3		
5th April . . .	1784 .	3		
10th October . . .	1784 .	3		
5th April . . .	1785 .	3		
10th October . . .	1785 .	3		
5th April . . .	1786 .	3		
10th October . . .	1786 .	3		
5th April . . .	1787 .	3		
10th October . . .	1787 .	3		
5th April . . .	1788 .	3 $\frac{1}{2}$		
10th October . . .	1788 .	3 $\frac{1}{2}$		
5th April . . .	1789 .	3 $\frac{1}{2}$		
10th October . . .	1789 .	3 $\frac{1}{2}$		
5th April . . .	1790 .	3 $\frac{1}{2}$		
10th October . . .	1790 .	3 $\frac{1}{2}$		
5th April . . .	1791 .	3 $\frac{1}{2}$		
10th October . . .	1791 .	3 $\frac{1}{2}$		
5th April . . .	1792 .	3 $\frac{1}{2}$		
10th October . . .	1792 .	3 $\frac{1}{2}$		
5th April . . .	1793 .	3 $\frac{1}{2}$		
10th October . . .	1793 .	3 $\frac{1}{2}$		
5th April . . .	1794 .	3 $\frac{1}{2}$		
10th October . . .	1794 .	3 $\frac{1}{2}$		
5th April . . .	1795 .	3 $\frac{1}{2}$		

DIVIDENDS.

DISCOUNT.

PER CENT.

PER CENT.

10th October . . .	1795 .	£3 $\frac{1}{2}$	On Foreign bills . . .	. £5
5th April . . .	1796 .	3 $\frac{1}{2}$		
10th October . . .	1796 .	3 $\frac{1}{2}$		
5th April . . .	1797 .	3 $\frac{1}{2}$		
10th October . . .	1797 .	3 $\frac{1}{2}$		
5th April . . .	1798 .	3 $\frac{1}{2}$		
10th October . . .	1798 .	3 $\frac{1}{2}$		
5th April . . .	1799 .	3 $\frac{1}{2}$		
10th October . . .	1799 .	3 $\frac{1}{2}$		
5th April . . .	1800 .	3 $\frac{1}{2}$		
10th October . . .	1800 .	3 $\frac{1}{2}$		
5th April . . .	1801 .	3 $\frac{1}{2}$		
10th October . . .	1801 .	3 $\frac{1}{2}$		
5th April . . .	1802 .	3 $\frac{1}{2}$		
10th October . . .	1802 .	3 $\frac{1}{2}$		
5th April . . .	1803 .	3 $\frac{1}{2}$		
10th October . . .	1803 .	3 $\frac{1}{2}$		
5th April . . .	1804 .	3 $\frac{1}{2}$		
10th October . . .	1804 .	3 $\frac{1}{2}$		
5th April . . .	1805 .	3 $\frac{1}{2}$		
10th October . . .	1805 .	3 $\frac{1}{2}$		
5th April . . .	1806 .	3 $\frac{1}{2}$		
10th October . . .	1806 .	3 $\frac{1}{2}$		
5th April . . .	1807 .	5		
10th October . . .	1807 .	5		
5th April . . .	1808 .	5		
10th October . . .	1808 .	5		
5th April . . .	1809 .	5		
10th October . . .	1809 .	5		
5th April . . .	1810 .	5		
10th October . . .	1810 .	5		
5th April . . .	1811 .	5		
10th October . . .	1811 .	5		

DIVIDENDS.		DISCOUNT.	
	PER CENT.		PER CENT.
5th April . . . 1812 . £5		On Foreign bills . . .	£5
10th October . . . 1812 . 5			
5th April . . . 1813 . 5			
10th October . . . 1813 . 5			
5th April . . . 1814 . 5			
10th October . . . 1814 . 5			
5th April . . . 1815 . 5			
10th October . . . 1815 . 5			
5th April . . . 1816 . 5			
10th October . . . 1816 . 5			
5th April . . . 1817 . 5			
10th October . . . 1817 . 5			
5th April . . . 1818 . 5			
10th October . . . 1818 . 5			
5th April . . . 1819 . 5			
10th October . . . 1819 . 5			
5th April . . . 1820 . 5			
10th October . . . 1820 . 5			
5th April . . . 1821 . 5			
10th October . . . 1821 . 5			
5th April . . . 1822 . 5		20th June, bills and notes	
10th October . . . 1822 . 5		not having more than	
5th April . . . 1823 . 4		ninety-five days to run .	4
10th October . . . 1823 . 4			
5th April . . . 1824 . 4			
10th October . . . 1824 . 4			
5th April . . . 1825 . 4		13th December, bills and	
10th October . . . 1825 . 4		notes not having more	
5th April . . . 1826 . 4		than ninety-five days to	
10th October . . . 1826 . 4		run	5
5th April . . . 1827 . 4		5th July, bills and notes	
10th October . . . 1827 . 4		not having more than	
5th April . . . 1828 . 4		ninety-five days to run .	4

DIVIDENDS.		DISCOUNT.	
	PER CENT.		PER CENT.
10th October . . .	1828 . 4	5th July, bills and notes	
5th April . . .	1829 . 4	not having more than	
10th October . . .	1829 . 4	ninety-five days to run .	4
5th April . . .	1830 . 4		
10th October . . .	1830 . 4		
5th April . . .	1831 . 4		
10th October . . .	1831 . 4		
5th April . . .	1832 . 4		
10th October . . .	1832 . 4		
5th April . . .	1833 . 4		
10th October . . .	1833 . 4		
5th April . . .	1834 . 4		
10th October . . .	1834 . 4		
5th April . . .	1835 . 4		
10th October . . .	1835 . 4		
5th April . . .	1836 . 4	21st July	4½
10th October . . .	1836 . 4	1st September	5
5th April . . .	1837 . 4		
10th October . . .	1837 . 4		
5th April . . .	1838 . 4	15th February	4
10th October . . .	1838 . 4		
5th April . . .	1839 . 3½	16th May	5
10th October . . .	1839 . 3½	20th June £5½ . 1st August	6
5th April . . .	1840 . 3½	22nd January	5
10th October . . .	1840 . 3½		
5th April . . .	1841 . 3½		
10th October . . .	1841 . 3½		
5th April . . .	1842 . 3½	7th April	4
10th October . . .	1842 . 3½		
5th April . . .	1843 . 3½	29th August, 1844, bills .	2½
10th October . . .	1843 . 3½	29th August, „ notes .	3
5th April . . .	1844 . 3½	13th March, 1845, bills .	2½
10th October . . .	1844 . 3½	13th March, 1845, notes .	2¼

DIVIDENDS.

PER CENT.

5th April . . .	1845 .	$3\frac{1}{2}$	20th March, . . . notes .	$2\frac{1}{2}$
10th October . . .	1845 .	$3\frac{1}{2}$	16th Oct.	3
5th April . . .	1846 .	$3\frac{1}{2}$	6th Nov.	$3\frac{1}{2}$
10th October . . .	1846 .	$3\frac{1}{2}$	27th August	3
5th April . . .	1847 .	$3\frac{1}{2}$	14th January	$3\frac{1}{2}$

DISCOUNT.

PER CENT.

BONUSES ON BANK STOCK FROM 1799 TO 1847.

1799 . . .	£10	per cent. on the capital. . .	In Navy	5 per cents.
1801 . . .	5	"	"	"
1802 . . .	$2\frac{1}{2}$	"	"	"
1804 . . .	5	"	"	In money.
1805 . . .	5	"	"	"
1806 . . .	5	"	"	"
1816 . . .	25	"	"	In Bank Stock.
1847 . . .	1	"	"	In money.

PROGRESS OF THE BANK OF ENGLAND FROM 1778 TO 1844.

APPENDIX.

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LIABILITIES.	Circulation.	Deposits.	ASSETS.		
			Securities.	Bullion.	Rest.
28th February, 1778	£7,440,000	£4,662,000	1778	£11,221,000	£2,011,000
" 1779	9,013,000	4,358,000	1779	10,936,000	3,711,000
29th February, 1780	8,411,000	4,724,000	1780	10,901,000	3,581,000
28th February, 1781	7,092,000	5,797,000	1781	11,186,000	3,280,000
" 1782	8,029,000	6,130,000	1782	13,794,000	2,158,000
" 1783	7,675,000	4,465,000	1783	12,796,000	1,321,000
" 1784	6,203,000	3,904,000	1784	11,619,000	6,556,000
" 1785	5,923,000	6,669,000	1785	12,173,000	2,740,000
" 1786	7,582,000	6,152,000	1786	10,353,000	5,979,000
" 1787	8,330,000	5,902,000	1787	11,359,000	5,627,000
29th February, 1788	9,561,000	5,177,000	1788	11,865,000	5,743,000
28th February, 1789	9,807,000	5,537,000	1789	10,961,000	7,229,000
" 1790	10,041,000	6,223,000	1790	10,332,000	8,633,000
" 1791	11,439,000	6,365,000	1791	12,603,000	7,869,000
29th February, 1792	11,307,000	5,523,000	1792	13,069,000	6,468,000
28th February, 1793	11,889,000	5,346,000	1793	16,005,000	4,011,000
" 1794	10,744,000	7,892,000	1794	14,525,000	6,987,000
" 1795	14,018,000	5,973,000	1795	16,811,000	6,127,000

LIABILITIES.		ASSETS.			
	Circulation.	Deposits.	Securities.	Bullion.	Rest.
29th February,	1796	£10,730,000	£5,702,000	£17,140,000	£2,539,000
28th February,	1797	9,675,000	4,892,000	16,838,000	1,086,000
"	1798	13,096,000	6,149,000	16,800,000	5,829,000
"	1799	12,960,000	8,132,000	17,039,000	7,564,000
"	1800	16,844,000	7,063,000	21,424,000	6,144,000
"	1801	16,213,000	10,746,000	1801	26,425,000
"	1802	15,187,000	6,858,000	1802	21,960,000
"	1803	15,320,000	8,050,000	1803	23,915,000
"	1804	17,078,000	8,677,000	1804	26,999,000
"	1805	17,871,000	12,084,000	1805	28,661,000
"	1806	17,730,000	9,981,000	1806	26,591,000
"	1807	16,951,000	11,829,000	1807	27,408,000
"	1808	18,189,000	11,962,000	1808	27,384,000
"	1809	18,543,000	9,983,000	1809	29,118,000
"	1810	21,020,000	12,457,000	1810	35,379,000
"	1811	23,360,000	11,446,000	1811	37,122,000
29th February,	1812	23,408,000	11,595,000	1812	38,026,000
27th February,	1813	23,211,000	11,268,000	1813	37,931,000
28th February,	1814	24,801,000	12,455,000	1814	41,990,000

LIABILITIES.		Circulation.		Deposits.		Securities.		Bullion.		ASSETS.		Rest.	
28th February,	1815	27,262,000	.	11,702,000	.	1815	.	44,558,000	.	2,037,000	.	7,632,000	
29th February,	1816	27,013,000	.	12,389,000	.	1816	.	43,401,000	.	4,641,000	.	8,640,000	
28th February,	1817	27,398,000	.	10,826,000	.	1817	.	34,279,000	.	9,681,000	.	5,736,000	
"	1818	27,771,000	.	7,998,000	.	1818	.	30,905,000	.	10,055,460	.	5,192,000	
27th February,	1819	25,127,000	.	6,413,000	.	1819	.	31,455,000	.	4,185,000	.	4,100,000	
29th February,	1820	23,484,000	.	4,094,000	.	1820	.	26,187,000	.	4,911,000	.	3,521,000	
28th February,	1821	23,885,000	.	5,623,000	.	1821	.	20,796,000	.	11,870,000	.	3,158,000	
"	1822	18,665,000	.	4,690,000	.	1822	.	15,973,000	.	11,057,000	.	3,675,000	
"	1823	18,392,000	.	7,181,000	.	1823	.	18,320,000	.	10,384,000	.	3,131,000	
"	1824	19,737,000	.	10,098,000	.	1824	.	18,872,000	.	13,810,000	.	2,847,000	
"	1825	20,754,000	.	10,169,000	.	1825	.	24,951,000	.	8,779,000	.	2,808,000	
"	1826	25,468,000	.	6,936,000	.	1826	.	32,919,000	.	2,460,000	.	2,974,000	
"	1827	21,891,000	.	8,802,000	.	1827	.	23,530,000	.	10,159,000	.	2,996,000	
29th February,	1828	21,981,000	.	9,198,000	.	1828	.	23,581,000	.	10,347,000	.	2,750,000	
28th February,	1829	19,871,000	.	9,554,000	.	1829	.	25,385,000	.	6,835,000	.	2,795,000	
27th February,	1830	20,051,000	.	10,763,000	.	1830	.	24,204,000	.	9,171,000	.	2,562,000	
28th February,	1831	19,600,000	.	11,214,000	.	1831	.	25,209,000	.	8,217,000	.	2,612,000	
29th February,	1832	18,052,000	.	8,937,000	.	1832	.	24,333,000	.	5,293,000	.	2,638,000	
26th February,	1833	19,372,000	,	12,455,000	.	1833	.	23,850,000	.	10,205,000	.	2,228,000	

LIABILITIES.	ASSETS.		
	Circulation.	Deposits.	Securities. Bullion. Rest.
25th February, 1834 . 19,050,000 . 13,087,000	1834 . 25,212,000	. 9,225,000	. 2,300,000
24th February, 1835 . 18,510,000 . 10,071,000	1835 . 24,895,000	. 6,289,000	. 2,603,000
1st March, 1836 . 18,195,000 . 13,985,000	1836 . 27,208,000	. 7,918,000	. 2,946,000
28th February, 1837 . 18,165,000 . 10,007,000	1837 . 27,297,000	. 4,077,000	. 3,202,000
27th February, 1838 . 18,975,000 . 10,825,000	1838 . 21,958,000	. 10,471,000	. 2,629,000
26th February, 1839 . 18,098,000 . 7,739,000	1839 . 21,741,000	. 6,773,000	. 2,677,000
25th February, 1840 . 16,504,000 . 6,556,000	1840 . 21,611,000	. 4,311,000	. 2,862,000
30th March, 1841 . 16,537,000 . 7,212,000	1841 . 22,328,000	. 4,339,000	. 2,918,000
29th March, 1842 . 16,952,000 . 8,657,000	1842 . 22,586,000	. 6,125,000	. 3,102,000
25th March, 1843 . 20,093,000 . 12,003,000	1843 . 23,830,000	. 11,054,000	. 2,788,000
23rd March, 1844 . 21,122,000 . 13,972,000	1844 . 22,479,000	. 15,784,000	. 3,169,000

A COPY OF THE CORRESPONDENCE
 BETWEEN THE
 CHANCELLOR OF THE EXCHEQUER
 AND THE
 BANK OF ENGLAND,
 RELATIVE TO THE
 RENEWAL OF THE CHARTER OF 1844.

To the Governor and Deputy Governor of the Bank of England.

DOWNING STREET, 16th April, 1844.

GENTLEMEN,

As under the provisions of the 3 & 4 W. IV. c. 98, the 1st of August is the day after which it will be competent to the House of Commons to give a Notice to the Bank as to the termination, within a limited period, of their present exclusive privileges, Her Majesty's Government judge it advisable to endeavour to come to an understanding with the Bank as to their future relation to the Government, rather than to terminate the existing arrangements by recurring to the Notice required by the Act of Parliament.

In submitting to you the views of the Government, I would premise that the main object of the Government in any new arrangement is one in the success of which the Bank can be scarcely less interested than the Government; namely, to place the general circulation of the country on a sounder footing, and to prevent, as much as possible, fluctuations in the currency, of the nature of those which have at different times occasioned hazard to the Bank and embarrassment to the country.

It appears highly desirable that any new arrangement should be

founded on the basis of an entire separation of the business of the Issue of Notes from that of banking. This measure might be effected by the establishment of a Public Department for the Issue of Notes independent altogether of the Bank; but Her Majesty's Government are willing, in the first instance, to consider whether this can be effected by a division of the Bank into two distinct and separate departments—to conduct exclusively, one the business of Issue, the other that of banking. The first question for the Bank to consider is, how far they are willing to undertake this duty. Should they be disposed to administer the functions of issue, it would be desirable that the following principle should be adhered to:—That a certain amount of Notes should be issued on Securities, and that all other Notes required beyond that amount should be issued only in exchange for Bullion,—that the Securities should be to a certain extent of such a nature as to admit of ready convertibility, and should not be increased beyond the amount originally fixed, except under circumstances to be stated by the Bank to the Government; and after the consent of certain Members of the Government, namely, the First Lord of the Treasury, the Chancellor of the Exchequer, and the Master of the Mint shall have been signified.

It is proposed from henceforth to prohibit the establishment of any new Bank of Issue; to restrict the issue of their own Notes to those Banks at present exercising that privilege, and to limit the issue of such Banks to the amount of Notes issued by them on an average of a given preceding period, and in the event of their failure or liquidation, to prohibit under any circumstances the resumption of their own circulation. The void created by the withdrawal of any existing Private or Joint Stock Bank circulation, either voluntarily or under the circumstances adverted to, should be supplied, if necessary, by the substitution of Notes of the Bank of England; and, in such a case, the Bank acting in concert with the Government, as provided for in a preceding paragraph, might be authorised to make a proportionate increase in the amount of those securities which constitute

the foundation of the issue of paper : the whole net profit derived from this additional issue would be carried to the account of the Government, and would be in addition to the annual payment which the Bank may agree to make.

It is intended that a weekly publication should take place of the state both of the Issue and Banking Departments of the Bank, and it will be required that each Private and Joint Stock Bank, issuing its own Notes, should make once a week a publication of the amount of their Notes in circulation.

Under such an arrangement, it is obvious that the Bank will not merely retain its existing privileges of having no Bank of more than six partners issuing Notes within sixty-five miles of London, but will be secured against the competition within that district, of any new Bank of Issue, even with less than six partners, which might otherwise be established ; and although, as the profit of any increased issue will be placed henceforth to the account of the Government, the Bank will not derive direct pecuniary advantage, yet the extension of business and of confidence in the Bank (which must result from the extension of its Notes consequent upon this further exclusion) must be to the Bank a source of no inconsiderable benefit.

I must add, that it is not proposed to continue the prohibition which is now in force as to the drawing, accepting, or paying Bills, within the sixty-five mile circle round London.

Should an arrangement on these principles meet the views of the Bank, the points remaining for consideration will be, the period for which the Bank Charter shall be renewed, and the amount of the payment which ought to be made by the Bank to the public during the period of its continuance.

Her Majesty's Government consider it advisable that the Charter should be granted for ten years from the 1st of August, 1845, and should, at the expiration of that period, be terminable at any time upon a notice of twelve months, but until such notice be given should continue in force. The amount of payment to be made to the public by the Bank will depend upon a joint consideration of

the benefits secured by this arrangement to the Banking department of the Bank, and of the proportion of the profits of the Issue or Circulation department, which the public are entitled to claim. As Bankers, the Bank will retain the management of the Public Debt, and the advantage of the Government Deposits, and the Balances of the several Public Accounts at the Bank. It must, however, be distinctly understood, that the Government retains an entire discretion as to the amount of such Deposits to be left in the hands of the Bank, and as to a participation in the profits of such deposits, if they should, from any circumstances, be materially increased.

With respect to the profits of the Circulation department, supposing the fixed amount of Securities to be £14,000,000, the profit would, obviously, be the difference between the interest received on those Securities, and the Expenditure required for the manufacture and issue of the Notes, the keeping the Accounts connected with them, and the receipt and custody of the Bullion which might, from time to time, come into the hands of that department.

Assuming Three per Cent. as the rate of interest, the gross profit of the Circulation department would be £420,000.

It was stated by the Bank, in a Paper presented to the Committee on the Bank Charter in 1832, that the expense of the circulation was at that time £106,000. It would be desirable that the items constituting this aggregate sum should be separately considered, with a view of ascertaining whether, without diminishing the advantages now afforded to the public, a reduction might not be effected in the amount. I will however assume it, for my present purpose, as amounting to £100,000.

A sum of £320,000 would then remain as the profit of the Circulation department, from which would be to be further deducted the amount of stamp duty paid on the notes of the Bank of England, being about £60,000, and the sum, whatever it may be, which the Bank now allows to those Banks of Issue which have substituted Bank of England notes for their own paper, and which I assume, for the purpose of discussion, as about £20,000. The net profits

therefore, in which the public would have a right to share, would be a sum of £240,000, or, if it were thought more advisable to remove the stamp duty on the Notes of the Bank, £300,000. In fixing the proportion of this amount which ought to be paid to the public, I do not on the one hand put out of view the fair claim of the Bank to compensation, as managers on behalf of the public of the circulation of the country; but, on the other hand, the Bank will not fail to bear in mind that, by the advance of their capital of £11,000,000 to the public at 3 per cent., they have hitherto virtually paid to the public a sum little short of 1 per cent. on that amount; and that now, owing to the present circumstances of the country, that advance is no longer any sacrifice on the part of the Bank, nor any compensation to the Public for the benefit derived to the Bank from its connexion with the Government. It may, therefore, justly become a question, whether that debt of the Public to the Bank should be continued at its present amount, or at its present rate of interest.

It appears to me, therefore, that in claiming for the Public an annual payment exceeding that now made by the Bank, while I reserve also to the public the net profit which may result from any addition hereafter to be made to the amount of fixed securities, I am not claiming more than the Bank will deem a just compensation for the advantages secured to them.

It appears to me that the real interests of the Bank, taking a comprehensive view of those interests, will be materially promoted by the proposed arrangement. It proposes to leave to them the management of the circulation; it gives a new and decisive proof of the public confidence reposed in them, while the measure itself is calculated, by increasing the controul of the Bank over the Paper Currency of the country, to secure them from much expense and danger to which they have hitherto been exposed.

I have the honour to be,

Gentlemen,

Your very faithful and obedient servant,

(Signed)

HENRY GOULBURN.

To the Right Honourable the Chancellor of the Exchequer, MP.

BANK OF ENGLAND, 30th, April 1844.

SIR,

We have the honour to acknowledge the receipt of your letter of the 26th instant, which we have submitted to the consideration of the Committee of Treasury and of the Court of Directors and we are desired to assure you that they, in common with ourselves, are duly impressed with the importance of an early settlement of the question affecting the circulation of the country, and are satisfied that the Bank, relinquishing its claim to the notice prescribed by law, will give its most favourable consideration to any proposal from Her Majesty's Ministers having for it's object to place the circulation of the country on a sounder footing.

To the 'entire separation of the business of Issue of Notes from that of Banking,' we are not disposed to offer any objection, and are of opinion that a division of the Bank into two distinct and separate departments for that object can be affected without difficulty; neither do we differ respecting the principles of the intended measures detailed in your letter.

It is now proposed to take from the Bank all the future advantages that may arise from the substitution of its notes for the present issues of Joint Stock and Private Banks. We are prepared to admit the favourable impression, which the public opinion will receive from the fact of the Bank having no pecuniary interest in the more general adoption of its Notes. It must however be recollectcd, that under the arrangement of 1833, by which it was agreed to allow to the public £120,000 per annum, very considerable advantages were held out to the Bank from the extension of its circulation : these were never realized, in consequence of the declared inability of the Government to carry into effect the measures on which that expectation was founded.

As the Government consider that 'a weekly publication should take place of the state both of the issue and banking department of

the Bank, and that each Joint Stock and Private Bank, issuing its own paper, should make, once a week, a publication of the amount of its notes in circulation,' the Court would raise no objection to that arrangement ;—but we would suggest for the consideration of the Government, if the publication of the banking accounts can be regarded as essential ?

By the removal of ‘ the prohibition now in force, as to the drawing, accepting, or paying bills within the sixty-five mile circle round London, the Bank may incur some loss in its banking department ; but more serious inconvenience will result, if the power to accept should be exercised for the purpose of Circulation, and thus interfere with the great object of the projected measures : a question deserving the most serious consideration.

On the subject of the proposed grant of the Bank Charter for ten years from the 1st August, 1845, subject at the end of that period to terminate upon a notice of twelve months, but until such notice be given to continue in force : we would suggest as a preferable plan, that if notice shall not be given by the Government at the end of ten years, the Charter should continue until after the expiration of an additional period of ten years. It seems to us that sufficient power of controul would thus be retained by the Government, and that the inconvenience arising from repeated, if not annual discussions on the subject, would thus be avoided.

The possession of the £11,000,000 advanced by the Bank, has ever been considered as affording additional security to the public, and contributing to that entire confidence at all times placed in the solidity of the Bank ; and although at an interest of 3 per Cent. the Loan may not at this moment impose any pecuniary sacrifice on the Bank, we see no benefit likely to arise to the public from its repayment. We therefore think it for the public good that it should still be retained ; and we would, at the same time, remark, that any reduction in the interest on this loan will necessarily diminish, to a corresponding extent, the profit in the Issue department of the Bank.

Referring to the estimate of the profit to be derived from the

Department of Issue, we must remark that we calculate its actual expense at £113,000 per annum ; a large outlay being incurred for the sole accommodation of the public, by Bank-notes not being re-issued in London ; by the complete registration of the issue and cancellation of each Note ; by the preservation of the cancelled Notes for ten years for the purpose of legal reference, so that each Note can, in case of need, be traced, and frauds thus be detected ; and finally, by the ready supply of Notes for Bullion or Coin, besides various other arrangements adopted solely for the public convenience. A re-issue of Notes was commenced, as a measure of economy, in the year 1838 ; but so much inconvenience was experienced by the bankers and the public, that it was abandoned ; and the Bank now issues about 20,000 Notes, averaging in amount from six to seven hundred thousand pounds, cancelling also the same number and value, daily.

The allowance at present made to those Joint Stock and Private Banks under engagement to issue only Bank of England paper, will, at one per cent., amount to twenty-four thousand pounds, as appears by the Parliamentary return ; and we submit the following as the correct calculation ; viz. :

£14,000,000 at 3 per cent.	-	-	-	£420,000
Deduct the expenses	-	-	-	113,000
<hr/>				
				307,000
Present allowance to the Banks and Banking Companies	-	-	-	24,000
				<hr/>
				£283,000

before any payment is made to the Government.

In reference to the position of the Bank as having the management of the public debt and the benefit of the Government deposits, we wish to state that the advantage from the former is diminished by the great risk of forgery, and from the latter by the alteration of the Exchequer accounts in 1834, which considerably reduced the amount of the public balances ; but, in reply to the

proposed understanding that the Government will retain an entire discretion as to the amount of such deposits, and as to a participation in the profits arising from them, if they should, from any circumstances, be materially increased, we beg to say that we should not object to this, provided it is conceded by the Government that an allowance will be made to the Bank if the balances are reduced below their present amount.

The benefits to the Bank will also be further reduced by the expenses which will be incurred in the collection of the ordinary Revenue; and, in reference to these, it should be stated that, in the year 1843, the Clerks of the Bank travelled, on the Revenue account, 75,090 miles, with the risk attending the custody and transit of £9,047,000, the money being brought immediately to the credit of the Government, saving to the public a considerable amount of interest and risk. Taking these circumstances into consideration, and bearing in mind that, under the proposed arrangement, the Bank will derive no advantage from the extension of its circulation, with all the responsibility, an abatement from the £120,000 hitherto allowed to the public, may reasonably be expected; for if the Bank continue this payment to the Government, together with a liability to the estimated amount of the Stamp Duty on the Notes issued on the fourteen millions of securities; viz. £49,000, making a total of £169,000, and incur, besides, the whole responsibility of the extended circulation without profit, the Court is of opinion that it will be called upon to make a larger sacrifice than in reason and justice can be required.

We have the honour to be,

Sir,

Your very faithful and obedient Servants,

(Signed)

WILLIAM COTTON, Gov.

J. B. HEATH, Dep. Gov.

The Governor and Deputy Governor of the Bank of England.

DOWNING-STREET, May 2d, 1844.

GENTLEMEN,

I HAVE the honour to acknowledge the receipt of your letter of the 30th ultimo.

It is satisfactory to Her Majesty's Government to learn that there is on the part of the Bank of England a general concurrence in the principle of the proposals conveyed in my letter of the 27th ultimo, and a readiness to co-operate in giving effect to them.

They observe with pleasure that, notwithstanding the doubts which you suggested as to its utility, you offer no objection to a weekly publication of the state of the Banking as well as of the Issue Department.

That measure was recommended to you on behalf of the Government, under the conviction that such a publication would be advantageous to the public, and would carry with it the strongest evidence of the stability and credit of the institution over which you preside, and upon the same grounds it still appears to the Government to be of essential importance.

I agree with you that if the removal of the existing prohibition against accepting Bills within the sixty-five mile circle round London should lead to the introduction of a new Paper circulation, it might materially interfere with the object of the proposed arrangement. An attempt might undoubtedly be made now to guard against such an evil consequence by imposing generally, and in the case of all Banking establishments, a limit upon the sum for which Bills to be accepted might be drawn, or by extending the dates at which they might become payable. But while such a measure might fail in proving an effective check upon future evasions, it is calculated to raise impediments in the way of legitimate Banking business. It appears, therefore, more advisable to trust for a remedy for so serious an evil to the power of the Government, a

power which will not fail to be exercised if the abuse should arise, of applying by new legislative enactment an adequate corrective.

Her Majesty's Government have well weighed the reasons which you have urged for preferring a renewal of the Charter upon the terms granted in 1833, namely, for twenty years, with the power of terminating it at a notice given at the expiration of ten.

In making the proposal contained in my letter of the 27th ultimo, the Government were mainly influenced by the consideration, to which you appear also to attach much weight, that it was not advisable unnecessarily to agitate questions affecting the Banking Interests and the Currency of the country.

We confidently hope that the arrangements now to be made will be found at the end of ten years to have satisfied public expectation, and in that case there would probably be a disposition, encouraged by the knowledge that the subject was at any time open to discussion, to forbear from proposing a change in the existing system. But, on the other hand, if the opportunity of revision afforded at the end of ten years were not again to occur till the expiration of a similar period, the necessity of reviewing what was otherwise to be for so long a time irrevocable, could scarcely be denied.

On these grounds Her Majesty's Government consider that it would be more for the public interests that the Charter should be continued as proposed in my former letter.

The reasons offered by you for the retention by the public of the £11,000,000 advanced by the Bank, are entitled to considerable weight; and in the event of the acquiescence of the Bank in the terms proposed, Her Majesty's Government are prepared to consent to that debt remaining during the further continuance of the Charter on its present footing.

*

With respect to the public balances in the hands of the Bank, I deem it unnecessary to make any observation. The Government must necessarily retain an unfettered discretion as to the amount which it may be proper to keep in the Bank, and in the event of any extraordinary accumulation beyond the usual amount, it would

be hereafter, as it has been heretofore, competent to them to make any arrangement with the Bank which might appear to them conducive to the public interests.

With reference to the expense of the Department of Issue, I readily admit the importance of not discontinuing any one of the facilities which the Bank has hitherto afforded to the Public, although necessarily attended with an increase of charge. Nor, after a due consideration of the detail of the expenditure of £113,000, which you have assigned to the Issue Department, am I prepared to state that it is excessive.

But after making the deductions which you have specified, the profit of the Issue Department still amounts to £983,000.

Under these circumstances, I cannot feel myself authorized to hold out to the Bank any expectation of an abatement from the sum of £120,000, which they now allow to the public; nor can I admit the payment of 49,000 to be an adequate compensation for the sum which would accrue to the public from leaving the Bank of England notes still subject to Stamp Duty. The sum latterly received on this account has been, as I previously stated, £60,000. I should certainly have preferred the continued payment by the Bank of duty on the amount of Notes in circulation. By the arrangement, however, which I have proposed, the public will henceforth be entitled to receive the whole nett profit of any Issue of Notes founded on any addition to the fixed amount of Securities.

The Stamp Duty on such notes would necessarily be a deduction from the profit for which the Bank would have to account; and I anticipate considerable difficulty, in the case of such additional issue, of ascertaining the precise proportion of such issue which might be in circulation, and on which alone the duty would attach. I am, therefore, prepared, on behalf of the Government, to accept, as compensation for the Stamp Duty, a sum of £60,000.

If, therefore, the Bank of England are prepared to make a fixed annual payment to the public, amounting in the whole to £180,000, subject to the several conditions which I have in this and in my former letter submitted to you, her Majesty's Government will be

prepared to recommend to Parliament the continuance of the Charter for the period which I have specified.

I have the honour to be,

Gentlemen,

Your most obedient Servant,

(Signed)

HENRY GOULBURN.

The Right Honourable the Chancellor of the Exchequer.

BANK OF ENGLAND, May 3d, 1844.

SIR,

WE have the honour to acknowledge your letter of the 2d inst., which we have submitted to the consideration of the Court of Directors; and although they are still of opinion that some abatement from the £120,000 allowed to the public might reasonably have been expected, they have resolved, in order that no obstacle may be presented by them to the measures which are considered desirable by Her Majesty's Ministers to place the Currency on a sounder footing, to recommend to the Court of Proprietors to accede to the proposals of the Government.

We have the honour to be,

Sir,

Your very faithful and obedient Servants,

(Signed)

WILLIAM COTTON, Gov.

J. B. HEATH, Dep. Gov.

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work may amuse as well as instruct—that the romance of fact often exceeds that of fiction. We shall not follow Mr. Francis through his historical details. They are of great interest. Those who have read Cobbett's celebrated 'paper against gold,' in which he vilifies the Bank for its suspension of cash payments in 1797, will be surprised to find how completely the assertion of that clever unscrupulous writer are disproved by the plain narrative of fact which Mr. Francis has given. The length of our notice will show how highly we estimate this history. It cannot fail to become a standard work."—*Weekly Times*.

"In a most interesting 'History of the Bank of England,' by Mr. John Francis, there are many subjects for reflection, especially appropriate at the present time."—*Observer*, (first notice.)

"For one hundred and fifty years and upwards—years the most prosperous in the national annals—it has been the main stay of the state in all financial operations, and yet there has been no regular history of the Bank of England. No publication could be better timed than this; therefore appearing as it does at a moment when all eyes are directed towards that important establishment, some in anxious hopes, others in deep hatred, it is one of the most amusing, and certainly not the least interesting, works that have ever been given to the public. It would be unjust to the author, as well as to the matter of his book, not to recommend it for general perusal."—*Observer*,—(second notice)

"We might quote many more anecdotes, but we have taken enough to show the peculiar nature of this history of the Bank. Mr. Francis has made a subject that is generally repulsively dry, a matter of light reading. Instead of long rows of figures, he gives us curious and interesting stories gracefully told, and his book will be more extensively read than a mere political economical history."—*Economist*.

"The history is amusing. It is an agreeable, well written book. It contains much curious matter worth preservation, and is a very readable and amusing performance."—*Britannia*.

"To Mr. Francis must be given the credit of laborious research. He has spared no exertion to gather from all available sources the facts that relate directly or remotely to the Bank of England and its history. We ask those who may have been misled by the clamours against the currency bill and the Bank parlour, to read his description of the panic of 1825."—*Critic*.

"Since many parties labour under the impression that the Bank of England has not been sufficiently liberal in affording assistance to houses in difficulties, we may quote from a most useful and entertaining work, a 'History of the Bank of England,' the following remarks."—*Sun*.

"The important truths revealed in this history, the interesting and instructive anecdotes and facts it comprises, referring to the foundation, progress, and present condition of that vastest of monetary establishments, will assuredly ensure its possession not only by the mere peruser of general literature, but by those powerful and influential sections of the community engaged in matters commercial and financial. Ample well arranged appendixes and index serve to complete the history of this extremely interesting, clearly arranged, and impartially written History of the Bank of England."—*Commercial Magazine*.

"At a period when public attention is so anxiously directed to the condition and operations of the Bank, the appearance of the volumes

before us is particularly opportune. They are replete with instruction and amusement.”—*Manchester Guardian*.

“These goodly volumes of Mr. Francis are as pleasantly read as a romance, and may safely be recommended as full of amusement and interest. To the man of business they address themselves with special attractions, inasmuch as he will find in them the objects of his daily occupations and thoughts, connected with biography and anecdote, always amusing and sometimes very striking. Mr. Francis has executed his task well: he is a skilful and industrious compiler, and an animated and agreeable narrator.”—*Manchester Examiner*.

“We venture to recommend this work as one of the most interesting and attractive that has issued from the press. Mr. Francis has contrived, with praiseworthy industry and research, to gather a mass of matter at once instructive and entertaining. From the materials gleaned in a hundred nooks and corners, in highways and byways, as well as in obscure places and seldom visited recesses, he has woven his web of history with great judgment and ability. The modest tone of the author induces us to say that we are glad the book has fallen in hands so competent to its due performance, as those of Mr. Francis, and we believe that every reader who peruses the work attentively will agree with us.”—*Liverpool Albion*.

“Few works published during the last ten years have been equally calculated to convey information and afford amusement with the work before us. How it could possibly have occurred that the publication of the History of the Bank of England, so rich in modern historical associations, and so prolific of strange events and extraordinary touching circumstances, should have been deferred till 1847, seems surprising to us. However, a work has been produced which will long preserve an eminent place in English literature, as a specimen of that patient industry in research, happy combination in effect, and purity and simplicity in composition, so essential to give such an undertaking value in the eyes of the statesman, the political economist, and the statistician, and interest among that numerous class of readers who, without altogether neglecting usefulness in the character of the books they purchase, yet never lose sight of amusement from their readings, and matter for conversation at the dinner table or in the club room. The work is an immense accession to the stock of British historical literature.”—*Nottingham Mercury*.

“This is a most acceptable addition to banking literature. An accurate and impartial narrative of the principal events connected with the most important banking institution in the world, has long been wanted; and Mr. Francis seems to have produced a book exactly of the kind required. The history he has written is as interesting as a fairy tale; he has done what Johnson said Goldsmith could do, and he has done it well. He has also brought together into these two volumes an immense amount of reading. Every page contains something curious, or worthy of being remembered, and yet he has never forgotten that he was writing a history. Mr. Francis has executed his task in a most satisfactory manner, and has produced a book which must have a place in every gentleman’s library in the kingdom. We recommend it to the banking profession, which they will find extremely useful for reference, very interesting for reading, and very valuable for the care and ability with which it has been prepared.”—*Banker’s Magazine*.

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